The Global Newspaper
Edited and Published in Paris
Printed simultaneously in Paris, London, Zurich, Hong Kong, Singapore, The Hague, Marseille, New York, Rome, Tokyo, Frankfurt.

International Herald Tribune

Published With The New York Times and The Washington Post

Andorra ... 8.50 F. Iceland ... 175 Icr Oman ... 1.000 Rials
Antilles ... 10 F.F Iran ... 115 Rials Poland ... 18,000 Zl
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No. 33,734 33/91 ** LONDON, TUESDAY, AUGUST 13, 1991 ESTABLISHED 1887

Thomas Cicippio, brother of the American hostage Joseph James Cicippio, watching President Bush commenting about the release of another American captive in Lebanon, Edward Austin Tracy.
Amy Sancetta/The Associated Press

UN Chief Finds Some Hope in Captors' Letter On the Hostages

Compiled by Our Staff From Dispatches

GENEVA — The United Nations released a letter from a Lebanese group Monday saying that freedom for the 10 remaining Western hostages in Lebanon hinged on the release of imprisoned Arabs throughout the world.

Secretary-General Javier Pérez de Cuéllar of the United Nations said a resolution of the hostage crisis was closer. "I wouldn't say near, but nearer than before," he said at the UN European headquarters in Geneva.

But senior Israeli military officials who met with Mr. Pérez de Cuéllar after details of the letter were disclosed were quoted as having said that the letter had failed to produce a breakthrough in negotiations. A UN spokesman said the secretary-general met in Geneva on Sunday with Uri Lubrani, a top adviser to Israel's defense minister, Moshe Arens.

President George Bush said the letter did not make sense to him. "We're back in the rumor game, the broad-demand game," he said while on vacation in Maine. However, his spokesman suggested later that there were positive aspects in the letter as well. (Page 6)

The letter was from the Islamic Jihad for the Liberation of Palestine, a Shiite Muslim group, which gave it to the British television producer John McCarthy when it released him Thursday. Mr. McCarthy delivered it to Mr. Pérez de Cuéllar on Sunday in Britain.

A second American, Edward Austin Tracy, was released Sunday by the Revolutionary Justice Organization, another Shiite group. The Frenchman Jérôme Leyraud, who was kidnapped Thursday, was also freed Sunday.

The letter to Mr. Pérez de Cuéllar reads:

"In view of our belief in the need for action to secure the release of our freedom fighters from prisons in occupied Palestine and Europe and also to solve the question of the detainees whom we are holding and the problems of their families, we call upon you to make a personal endeavor, within the framework of a comprehensive solution, to secure the release of all detainees throughout the world.

"In such an eventuality we would be perfectly willing to complete the process that we began today and to release the persons whom we are detaining within 24 hours."

The group did not name the detainees it wanted freed, but it could have been referring to Arabs held in Israel, the occupied West Bank and Gaza Strip; to two Lebanese brothers jailed in Germany, and to a Hezbollah member imprisoned in Switzerland for hijacking.

The pro-Iranian Hezbollah, or Party of God, is believed to be an umbrella organization for several loosely affiliated groups holding Western hostages, including Islamic Jihad and the Revolutionary Justice Organization.

The Arabs held in Germany and Switzerland were convicted after trials, and Israel has repeatedly said that it will not discuss demands by the kidnappers to release nearly 9,000 Palestinian activists detained for having taken part in the *intifada*, or uprising, in the occupied territories.

The most unexpected element in the letter from Islamic Jihad was the mention of the prisoners in Europe.

Mr. Pérez de Cuéllar said he would try to deal with all aspects of the problem so that all detainees would be freed — "and don't forget I am always using the words 'all detainees,'" he said.

Asked whether he would press for the release of convicted murderers, he said: "That is a different

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BankAmerica To Take Over Security Pacific

Largest Banking Acquisition in U.S. Is Strategy for Nationwide Branches

By Lawrence Malkin
International Herald Tribune

NEW YORK — BankAmerica Corp. announced Monday that it would take over Security Pacific Corp., the largest such move in U.S. bank history, as the recent consolidation wave in the industry rolled on in anticipation of nationwide banking.

By swapping stock valued at about $4.1 billion, the San Francisco-based BankAmerica will swallow Security Pacific of Los Angeles. The deal will reinforce BankAmerica's position as the second-largest U.S. banking company, with assets of $190 billion and capital of $12 billion. Its assets will place it closely behind those of Citicorp of New York, the biggest U.S. bank.

Richard M. Rosenberg, chairman and chief executive of BankAmerica Corp. will lead the merged bank, which is to retain the BankAmerica name. He said the takeover was part of "the process necessary to make U.S. banks more competitive again."

The deal was the third in a month among major banks joining forces to manage the problem loans in real estate and corporate takeovers amassed during the 1980s.

The recent partners were Chemical Banking Corp. and Manufacturers Hanover Corp., in New York City, and NationsBank, a merger of NCNB Corp. and C&S/Sovran Financial Corp., spanning the South. When the New York bank merger goes through, BankAmerica will lose its No. 2 ranking until its takeover of Security Pacific is approved.

Security Pacific's chairman, Robert Smith, will be No. 2 in the new bank. Security Pacific is losing hundreds of millions of dollars from the failure of its attempt to enter international merchant banking and securities by taking stakes in Hoare Govett Ltd., the London-based brokerage house, Burns Fry Corp., the Canadian investment-banking concern, and the Australian securities house McIntosh Securities Ltd.

BankAmerica's Bank of America, once the nation's largest retail bank thanks to thousands of small business depositors and borrowers in California, has come back almost from the dead.

First among major American banks to sweat out its mistakes, it recorded cumulative losses of about $2 billion in the mid-1980s as it wrote off a huge portfolio of Latin American loans and trimmed operations by eliminating 20,000 jobs.

But it earned $1.1 billion last

See BANKS, Page 10

One of the Stranger U.S.-Japan Feuds

By David E. Sanger
New York Times Service

SINGAPORE — In an aging factory near the airport, hundreds of young women from Singapore and neighboring Malaysia are assembling an American classic known to generations of students: the portable Smith Corona typewriter.

Across the globe in Tennessee, 400 American workers in a similar factory are building competing typewriters for a Japanese company, Brother Industries Ltd.

From those facts grew a strange and politically charged trade dispute.

Smith Corona Corp. has battled Brother and other Japanese rivals for years, saying they were dumping foreign-made typewriters in the United States, that is, selling them below the fair-market value in an attempt to seize market share.

A few months ago, Brother became the first Japanese company to make the same charge against a competitor based in the United States.

Pointing to the fact that it makes its typewriters in Tennessee with American workers, Brother asserted that it was the true representative of American industry. It said the Singapore plant was being used to dump typewriters in the United States, threatening the jobs of Tennesseans.

In Tokyo, executives of Japanese companies that have become increasingly impatient with American trade complaints say that if Brother's counteroffensive works, they could follow suit.

Referring to the U.S. manufacturing and sales operation of Nissan Motor Co., Yutaka Kume, the company's president, said recently that "we view our company as purely American." Like Brother, Nissan has a production plant in Tennessee.

Smith Corona is outraged by Brother's claim to represent American industry.

"They are flouting U.S. trade laws," said G. Lee Thompson, the company's chairman and a survivor of many trade wars with Japan. "All that Brother does in Tennessee is insert some imported parts in a board and solder it."

Smith Corona has won several dumping decisions against Brother and other Japanese rivals, most recently on Thursday when the International Trade Commission ordered steep duties on Japanese-made word processors, including Brother's.

But at the same time the commission is taking Brother's complaint seriously enough that it has approved an investigation.

For American manufacturers who have moved production offshore or entered a web of alliances to cut manufacturing costs, the dumping laws have become something of an international minefield.

Chrysler Corp., for example, led the drive a few months ago for Detroit's automakers to

See DUMPING, Page 6

For Israel, 7 Missing Troops Remain Key to Any Agreement

By Jackson Diehl
Washington Post Service

JERUSALEM — Two senior government officials and the United Nations secretary-general, Javier Pérez de Cuéllar, have failed to produce a breakthrough in negotiations over hostages in the Middle East, official sources here said.

They added that there was no sign that Israel's demand for information on missing servicemen in Lebanon would be met.

Spokesmen for the government of Prime Minister Yitzhak Shamir expressed disappointment over published contents of a letter to Mr. Pérez de Cuéllar from a Lebanese group holding hostages, Islamic Jihad for the Liberation of Palestine, because it made no reference to seven Israeli soldiers who disappeared in Lebanon between 1982 and 1986.

[Defense Minister Moshe Arens said later that the letter gave him reason to hope, The Associated Press reported.

["The letter is quite general, but there is in the letter a message, and that is the desire to reach a deal," he said. "The fact that this organization of the extreme Shiites says it is ready to reach a deal, and that the secretary-general has come into the picture, gives an opening for hope."]

The letter reiterated demands that Israel release Lebanese and other Arab detainees in exchange for the freedom of the remaining Western hostages in Lebanon.

Israel has said that it is willing to give up about 400 prisoners, but that its soldiers must be freed or accounted for as well. Only one of the Israeli soldiers is thought to be alive.

"There is nothing new in the letter from the point of view of the Israelis," a Defense Ministry spokesman said. "And there is no change in our position."

Foreign Minister David Levy and Mr. Arens rejected suggestions that Israel release some of its prisoners as a way of continuing the political momentum generated by the recent releases of Western hostages.

At the same time, official sources said that senior officials from the two ministries who traveled to Geneva on Sunday for a meeting with Mr. Pérez de Cuéllar had made little headway in their talks.

The sources said that the officials received no indication from Mr. Pérez de Cuéllar that Lebanese groups or their backers in Syria or Iran were willing to meet Israel's demand that its servicemen be included in a hostage exchange.

"We were not satisfied," a source said. "The other side — that is, those who are holding the hostages — still want to play games with us."

Israeli spokesmen said that Mr. Pérez de Cuéllar had requested the meeting with the two officials ostensibly to show them the text of the Islamic Jihad letter, which he later released.

The officials indicated, however, that the secretary-general's real purpose for the meeting was to determine how far Israel was willing to go in meeting the demands of the Lebanese and their backers.

The officials, Uri Lubrani and Johanan Bein, returned to Israel on Monday night and headed for consultations with Mr. Arens, Mr. Levy and other high-level government figures, sources said.

Britain has called on Israel to make the next move in the hostage negotiations the release of at least a token number of Arab prisoners.

An Israeli-backed militia holds about 375 Lebanese, mostly members of Shiite militias, in territory controlled by Israel in southern Lebanon.

Israel directly holds Palestinian and Shiite prisoners from Lebanon as well as a militant Muslim cleric, Sheikh Abdel Karim Obeid, whom it seized in a commando raid in Lebanon two years ago to be used as a bargaining chip in hostage negotiations.

But the suggested Israeli gesture, which has also been hinted at by the Bush administration, was rejected Monday. Foreign Minister Levy said that "sheer wantonness" had caused foreign governments to suggest that Israel "forget and abandon its basic obligation toward its missing, hostages and prisoners."

Kiosk

Pretoria Drops Counts Against Riot Suspect

JOHANNESBURG (AP) — Prosecutors dropped charges Monday against Piet Rudolph, a leader of a neo-Nazi group involved in a confrontation with police that left three dead and dozens injured.

No explanation was given for dismissing the charges. Ten other members of the Afrikaner Resistance Movement were ordered to return to court Sept. 23.

About 1,000 supporters of the group battled the police Friday while President Frederik W. de Klerk addressed a rally of his backers in Ventersdorp.

General News

Japan's prime minister urged the Chinese to improve their human rights image. Page 2.

A prisoner exchange has been postponed by the Yugoslav federal authorities. Page 2.

Eritrea is playing politics with food relief, the Bush administration said. Page 2.

The "warriors of prayer" have moved their battle against abortion to Wichita. Page 3.

Business/Finance

Delta Air Lines won the bidding for Pan Am with an offer of about $1.39 billion. Page 9.

Warsaw prosecutors issued an arrest warrant for the head of the private company Art-B in Poland's banking scandal. Page 9.

Dow Close
Up
5.14
3,001.34

The Dollar In New York

DM	1.7246
Pound	1.6875
Yen	136.50
FF	5.8673

Crossword Page 8.
Weather Page 2.

Massimo Sambucetti/The Associated Press
Bari police hauling off Albanians. Page 2.

Freed U.S. Hostage Appears Anguished

Washington Post Service

WIESBADEN, Germany — Edward Austin Tracy, the expatriate American released Sunday after nearly five years as a hostage, is apparently suffering from psychological trauma far beyond what other hostages exhibited upon their return from their Shiite captors, U.S. officials said Monday.

After a day of medical, psychiatric and dental tests on the former hostage, Colonel Earl Ferguson, commander of the U.S. Air Force Hospital here, said Mr. Tracy, 63, had been fed well in Lebanon and was in good condition physically.

But the colonel refused to discuss details of Mr. Tracy's mental state, which was described by those he met with Sunday in Syria as highly disturbed.

At the type of briefing that military physicians used in the past to present a detailed account of released hostages' emotional, physical and social well-being, Colonel Ferguson broke with precedent and spoke only in vague generalities.

Repeatedly, Colonel Ferguson said Mr. Tracy is "nutritionally in good condition," adding that the hostage had received meat, fruit and vegetables during confinement.

Asked repeatedly about Mr. Tracy's ability to discuss his ordeal, Colonel Ferguson finally said, "His basic physical condition is in good shape and his overall condition is not unexpected."

Other sources who asked not to be identified said that Mr. Tracy was sometimes not coherent.

The air force hospital here was so cautious about discussing Mr. Tracy that the entire text of its afternoon press release was: "Mr. Tracy had a tuna-fish sandwich and black coffee for lunch."

At first, Colonel Ferguson said the change in policy was a result of the military's desire to balance regard for Mr. Tracy's privacy with the great public interest in the health of a freed hostage.

But later in the news conference, Colonel Ferguson said, "We are not discussing the details of his state and that's at his wishes."

Mr. Tracy is expected to stay at Wiesbaden for another day or two. He has told officials that he wants to be flown to Boston.

A native of Burlington, Vermont, where his elderly mother still lives, Mr. Tracy has lived in nine countries since 1958, returning to the United States in 1965 for a one-month visit.

Mr. Tracy lived in Beirut for about 10 years, selling books and writing poetry, before he was seized by the Shiite Revolutionary Justice Organization on Oct. 21, 1986.

He was held with another American, Joseph James Cicippio.

— MARC FISHER

Terry Waite, a British hostage in Lebanon, is being held under good conditions by his captors and is coping well, The Associated Press reported from London.

His brother, David, said he had received the news in a telephone conversation with John McCarthy, the freed hostage who was held with Mr. Waite for almost a year.

The Anglican Church envoy was seized in Beirut on Jan. 20, 1987.

German Communist Mayor Gets a Princely Lesson

By Marc Fisher
Washington Post Service

BALLENSTEDT, Germany — It's tough enough being mayor when half the people in the village have lost their jobs in the past year. Tough enough being the guy everyone yells at when the pain of shifting from communism to capitalism becomes too much to bear. Tough enough having to explain why life in Eastern Germany two years after the revolution sometimes seems harsher than the old days.

But Mayor Wolfgang Gurke's biggest headache towers over him every minute of every day in Ballenstedt. High above the village lies Ballenstedt Castle, a 1,000-year-old cloister that has been home to monks and marauders, knights and *nomenklatura*. Home of the Anhalts, the royal family that ruled this region for centuries, the castle is now run down, carved into quarters for the municipal unemployment office, an art gallery and the vacant classrooms of a Communist forestry school.

A year ago the castle belonged safely to "the people." At least socialism was simple. Look what's happened since:

A prince shows up and claims the castle in the name of his royal self and his wife.

His wife is Zsa Zsa Gabor.

He fetes the mayor and entices him with offers of $1 million, a visit from Zsa Zsa, and a personal note from Ronald and Nancy Reagan.

Then another prince comes calling, demands the return of his family castle, and then threatens to haul the mayor to court, calling Mr. Gurke a "Stalinist agitating with truths, half-truths and lies."

One prince promises to pump American money into the castle and then bring over Hollywood extravaganzas that would pull Ballenstedt out of its socialist rut and put it on the map. The other prince promises to spruce up his family's old digs, open a hotel and create 2,000 jobs for the suffering village.

Along the way, Mr. Gurke is showered with enough phony gifts and false promises to make him yearn sometimes for the straightforward oppression of the old days. But then he gazes up at the castle — just about the only way Ballenstedt can bring in the tourists, quick cash and

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Nicole Ascoli/IHT

Thomas Splits Black Lawyers

By David Margolick
New York Times Service

ATLANTA — Judge Clarence Thomas is not listed among the 10,771 lawyers who have registered for the American Bar Association's annual meeting.

His name appears nowhere on the official program, which includes panels on agricultural law and Alzheimer's disease but none on what may be the most important issue facing American lawyers: his own nomination to the United States Supreme Court.

The association's silence is not entirely surprising. While a subcommittee evaluates Judge Thomas, the association is remaining scrupulously and ostentatiously neutral.

But the silence is misleading. Among the group's increasingly large roster of black members, there is debate and division, anger and anguish over the nomination of one of their own who has opposed affirmative action and other civil rights planks championed by Justice Thurgood Marshall, the man he would replace.

"It's so difficult," a black partner in a large New York law firm said of the issue. "I change my mind every day." So sensitive is the Thomas nomination, the lawyer said, that she insisted on anonymity.

Many black lawyers came here directly from last week's convention of the National Bar Association, the nation's largest group of black lawyers, which voted narrowly to oppose Judge Thomas's nomination, but only after a long and bitter debate.

Interviews with black lawyers elicited resignation and fatigue, but almost no one was enthusiastic about anything regarding Judge Thomas except his background and his blackness.

Those favoring his confirmation cite the symbolic importance of having a black person, particularly one of humble origins, on the high court, however uncongenial or heretical his views.

They speak hopefully of an enigmatic man whose humaneness has so far been hidden, whose views are not yet fully formed, who could surprise sponsors and detractors alike in the manner of Earl Warren or Hugo Black.

They hope he will be radicalized by what they perceive to be the

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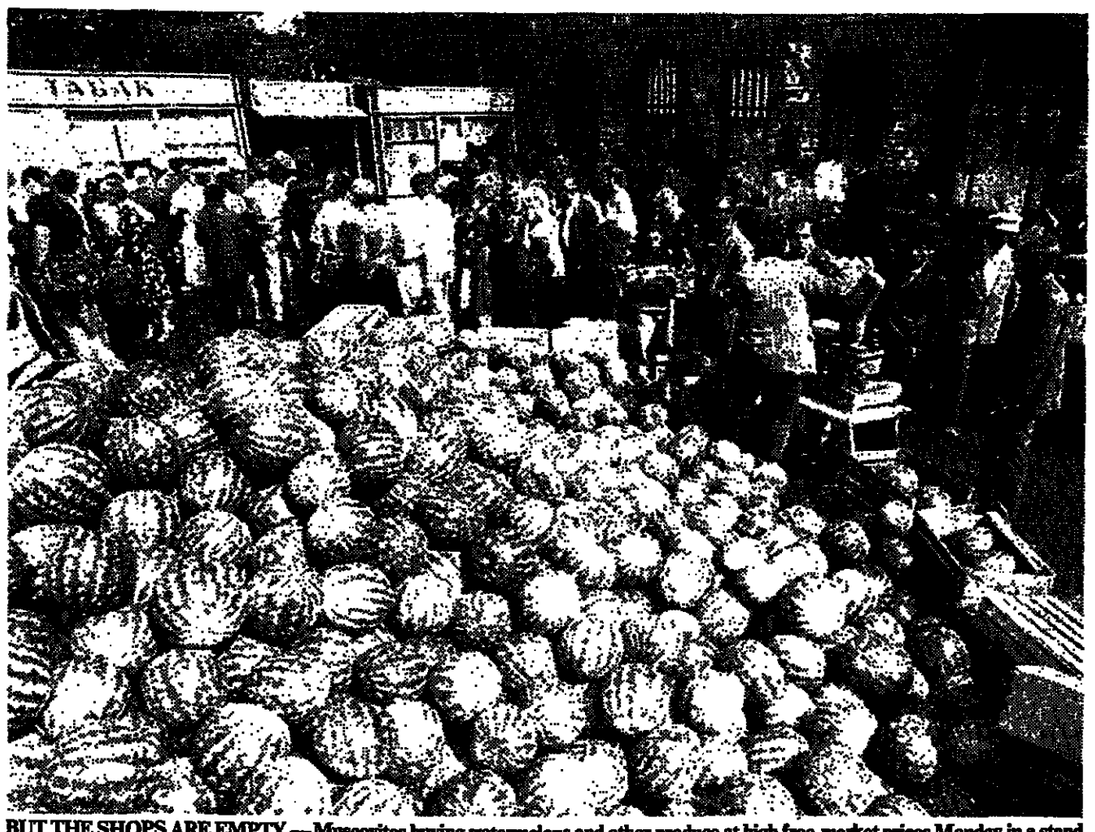


BUT THE SHOPS ARE EMPTY — Muscovites buying watermelons and other produce at high free-market prices Monday in a stand near a busy metro station. Shelves in the government-subsidized stores, meanwhile, remained largely empty.

Moscow's Guru of the Free-Market Game

His Problem: How Can the New Economy Work If the Masses Distrust It?

By Francis X. Clines
New York Times Service

MOSCOW — Sometimes the watchful eyes of the Soviet deputy prime minister, Vladimir I. Shcherbakov, betray an odd merriment at his task of leading the nation out of the morass of central economic planning, as if he were searching for some capitalist unicorn to replace the wheezing drayhorse of communism.

"I see the ironies, of course," said Mr. Shcherbakov, who is President Mikhail S. Gorbachev's deputy in charge of undoing economic devastation by transforming the sort of central ministry that he now leads.

He is still barely known outside the Soviet Union. But the chunky, 42-year-old auto plant manager turned economic guru now wields more real power in the Kremlin than was ever dreamed of by either Stanislav S. Shatalin, last year's celebrated free-market oracle who slipped from Kremlin grace, or Grigori A. Yavlinsky, the economist who joined with Harvard academics to organize the capitalist lobbying of Mr. Gorbachev that flared for a while this summer.

In a Communist government that long ago gave planning a bad name, Mr. Shcherbakov is the boss of what used to be known as Gosplan, the State Ministry of Planning, which once pervasively preplanned the life of Soviet Everyman, dictating the per-capita contents of each citizen's threadbare larder and ennui-ridden occupation.

Its new name is the Ministry of Economics and Prognosis, but it occupies the familiar Gosplan building, just a long shadow north of the Kremlin.

Inside, Mr. Shcherbakov, whose personal conversion to free marketry occurred only two years ago, reigns now over the bedraggled Soviet economy.

He coaxes it less like Adam Smith than Emile Coué, insisting that every day, in every way, this place is getting more market-oriented, even if the construction cranes still rust in place against the city's horizon.

He is charged with the daily carrying out of the Gorbachev government's still-far-from-certain move toward market economics.

Like all the latest appointees, he talks a good capitalist game. He came in for some notice at the London economic summit meeting last month by sounding more pragmatic and less Utopian about the market than some other economists jaded by Mr. Gorbachev's previous dabblings.

Mr. Shcherbakov already has used his powers to purge half the old-line personnel in Gosplan, with a cynical public noting no measurable results in the public markets.

But the difference that might make the Shcherbakov ministry more effective is that Mr. Gorbachev now has pinned economic change to a new treaty of power sharing with the nation's market-hungry republics, and they already have a greater voice in the central ministry.

The strategy is that those republics will become a dozen or so separate free-wheeling engines for change and tug the center from its monolithic rut in the process.

Mr. Shcherbakov is among the first to admit that this is still only a scheme, needing a decade or more for full flowering.

"Most difficult of all will be to make each individual socially responsible for himself, for his family, for the level of one's own life so that a person has no illusions," he said, describing the psychological need to implant motivation and abandon communism's prescription that all shall be equal, at least, in want. "Changing this will take a generation."

It can be argued that Mr. Shcherbakov has an impossible job. How can a market economy work if the masses who are to drive it are still largely inert and mistrustful of capitalism?

Mr. Shcherbakov, like the Soviet president, insists that all the more promising prescriptions of a cacophony of market advisers are now being hotly pursued.

But the public still views his drab ministry building as Gosplan, the agency for refining terrorism to picayune levels.

In its power days, the ministry concocted nationwide supply schedules by inventing demand. It planned how many eggs the nation's chickens would lay, and pressed factory managers to send new, unbroken equipment to the repair shops merely to meet the almighty Gosplan forecast for repairing needs.

"We are no longer so inclined, imposing our ideas on society," Mr. Shcherbakov contended in the face of skepticism in Moscow and abroad.

"Life is far richer than that, with much more variety," he added, admitting a paradox in his rededicated ministry: that its power currently is growing, not evaporating as free-market critics have recommended for decades.

"But we are growing on an absolutely different basis," he declared, speaking of Mr. Gorbachev's new political truce and power-sharing agreement with the republics.

"Until now, we took away goods and redistributed them around the country. But now I have a cabinet of advisers from the 15 republics, and we confer on prices, finances, investments — cooperating on all the details of organizing a single economic market," he said.

In trying to change the planning ministry, Mr. Shcherbakov has shocked or at least amused the public with a "Gosplan competition" for fresh young market minds to be hired as consultants, not careerists, for a curriculum that mixes overseas experience and Moscow strategizing.

The old ministry of 2,800 bureaucrats has been cut to 1,850, with the dregs of the stagnation-era petty minds supposedly retired.

But Mr. Shcherbakov still cannot find good applicants for 250 more posts. So he is starting a special academy to focus more on Western economic training.

He agreed that Mr. Gorbachev has shown a weakness for procrastinating over the years on the crunch of switching to market forces and uncertainties.

"Of course that happens," he said. "The thing is that the actions that should be taken right now are very painful. Society needs to be cured, but it's impossible to make all of society take these very bitter pills at once. We have to prepare people."

Mr. Shcherbakov said that the White House had its own line of skepticism when he visited, asking how the central planning methods he represents can ever produce a free market.

"I told Mr. Bush: 'Maybe I'm wrong, but we have two very different psychologies,' " Mr. Shcherbakov recalled. "'A certain type of person has been formed through your tradition with such a reserve of entrepreneurship, that your main government task is to restrain him from what is not allowed.

"But our system spent 73 years calculating those people who can act independently and catching them each time, so that a different type of passive person was formed. It's not enough now for us to tell this person that some action is no longer prohibited; we must convince him that the action is necessary. This will take more time than anything else."

Mr. Shcherbakov said he finally embraced free marketry when he was able to do some extensive Western business traveling in 1989 after years of running giant Soviet auto works.

He is a mechanical engineer become doctor of Marxist economics and ad lib marketeer. He is the latest in a long, ever changing parade of economists to have the ear of Mr. Gorbachev who seems to change them as easily as a medieval king might search for a believable court wizard.

Mr. Shcherbakov came into his own last month at the economic summit meeting in London, where, as Mr. Gorbachev's chief aide, he talked market endlessly.

He also displayed a certain quiet bemusement in seeking basic banking advice from American experts who, he knew, had left an open-ended banking scandal back home, or in hearing advice on the importance of an economy rooted in law from British experts who lack a national constitution.

"I see the ironies," he said. "I don't think any country is an ideal, no single system is. Each has its own history, traditions, problems and scandals. One has Watergate, the other unmasks its Politburo.

"That's the reality of life. It's interesting and funny to watch things like that," he said, smiling and cautioning himself aloud that it would be as foolish to be dogmatic about capitalism as it was about communism.

Kaifu Is Linking Aid For China to Rights

Compiled by Our Staff From Dispatches

BEIJING — Prime Minister Toshiki Kaifu of Japan urged the Chinese Communist leaders on Monday to improve their human-rights image so he could urge other governments to restore normal relations with Beijing.

Mr. Kaifu stressed that the Japanese carefully studied the pattern of developing countries' arms sales and human-rights behavior when deciding on how to distribute foreign aid.

He is the first leader of a major industrial power to visit Beijing since the Chinese Army crushed a pro-democracy movement in June 1989.

Mr. Kaifu said he had told Prime Minister Li Peng "very frankly" that the seven major industrialized democracies, the Group of Seven, had strong feelings about human rights.

It is significant, aides of Mr. Kaifu said, that he outlined his aid policy while visiting China. Weapons sales to the Third World by China, including missiles, have aroused anger in the United States and concern in other Western nations.

"We seek the understanding of all aid recipients of our four-point principle on aid," Mr. Kaifu said at a news conference.

He said Japan's basic philosophy was that a nation should not waste its human, natural and other resources "on too much military spending."

The Chinese Communist Party's general secretary, Jiang Zemin, told Mr. Kaifu that Beijing would not tolerate outside pressure aimed at changing its system.

"We will not force our socialist system onto other countries," Mr. Jiang said, according to Kaifu aides. "And we will not allow other countries to interfere with our system."

Officials traveling with Mr. Kaifu said that Mr. Jiang thanked him for his efforts to end the economic sanctions imposed after the suppression of the pro-democracy demonstrations.

Japan joined Western nations in imposing the sanctions to protest the crackdown. But the Japanese have has been trying since last year to end Beijing's isolation.

Mr. Kaifu's four-day visit, which ends Tuesday, marks a return to virtually normal relations between the two countries.

At the news conference, Mr. Kaifu defended his participation in an official ceremony Sunday in Tiananmen Square, saying it should not be taken as a sign of support for the 1989 crackdown. He placed a wreath at a monument in the center of the square.

"I laid the wreath for those who dedicated their lives to the building of the country," he said. "That was done in accordance with diplomatic protocol. That is accepted internationally."

In meetings with members of the Group of Seven, Prime Minister Kaifu has argued that China should no longer be kept in isolation. He won their approval to unlock 810 billion yen ($6 billion) in aid that Tokyo had promised to Beijing over five years, starting in 1990.

"I have tried to move China out of isolation," Mr. Kaifu told Mr. Jiang. "The world still has great concern for democracy and human rights."

Mr. Jiang did not reply, Kaifu aides said. *(AP, Reuters)*

■ **Bush Writes to Li Peng**

President George Bush sent a letter of greetings Monday to Prime Minister Li, giving the Chinese government its second major boost this week, United Press International reported from Beijing.

Mr. Li received the letter two days after meeting with the Japanese prime minister. It was handed to him by Representative Bill Archer, a Republican from the president's home district in Texas.

Britain announced last month that Prime Minister John Major would go to China in September.

U.S. Says Eritrea Plays Aid Politics

By Clifford Krauss
New York Times Service

WASHINGTON — Bush administration officials say that in the aftermath of Ethiopia's civil war, the new provisional government of the separatist province of Eritrea is playing politics with food relief to assert its independence before a planned referendum to decide its sovereignty.

The officials, who deal with aid programs, said the Eritrean authorities had increased dock fees for some ships by more than tenfold, which they said could deter shipping companies under contract to deliver food.

And they said Eritrean officials had diverted foreign relief aid for the rest of Ethiopia to their own people as a way of increasing their control and popular support.

The administration, in response, has rejected an Eritrean appeal to have U.S. food aid distributed by an agency affiliated with the ruling Eritrean People's Liberation Front.

The way Eritrea is handling relief aid, a State Department official said, appears to be part of a broader effort to isolate itself from Ethiopia.

The Eritrean provisional government has prohibited telephone links between Eritrea and Ethiopia, and banned Ethiopian Airlines from landing in Asmara, the Eritrean capital.

"As they try to cut links between Eritrea and Ethiopia, kids are dying," said Andrew S. Natsios, director of the Office of U.S. Foreign Disaster Assistance. "They are using the relief program to make a political statement."

The Red Sea province, which developed a distinct culture as an Italian colony in the 19th and early 20th centuries, was officially ruled by the government in Addis Ababa, the Ethiopian capital, until Eritrean separatist rebels drove the Ethiopian Army out of the province in May.

That fighting was part of a wider rebellion involving other rebel factions that ousted the long-ruling authoritarian government of Lieutenant Colonel Mengistu Haile Mariam.

The issue of Eritrean independence is sensitive largely because Ethiopia would be left landlocked if the northern province broke away permanently.

The current provisional government in Addis Ababa is dominated by a political group that was loosely aligned with the Eritreans during the war against Colonel Mengistu. But now the provisional president, Meles Zenawi, is believed to want to encourage Eritreans to remain a part of Ethiopia.

The United States has traditionally supported the concept of a united Ethiopia, fearing that the once overtly Marxist Eritrean movement would become a satellite of Libya and choke off the rest of Ethiopia. The Bush administration adjusted its policy when confronted with the inevitability of an Eritrean victory, and came out in support of Eritrean self-determination in the final days of the war.

But the administration is voicing increasing disappointment with the Eritreans.

Italy Offers Albanians $40 to Go Home

Compiled by Our Staff From Dispatches

BARI, Italy — The authorities on Monday offered Albanian refugees 50,000 lire ($40) each and new clothes if they would return to the homeland they fled last week.

But many of the approximately 1,500 remaining refugees vowed to fight rather than return to their country, the poorest in Europe.

Police said at first Monday that they were preparing to use force if the more than 500 refugees on a pier in this port city refused to be repatriated.

But in a sign of the political sensitivity of the operation, Italy's senior police chief later said he would "exclude" a police operation.

The chief said about 18,000 Albanians took part in the exodus to Italy last week. It was the third wave of Albanians to cross the Adriatic Sea to Italy in the past year.

The government has stiffened its policy with the latest arrivals, enclosing them outdoors under a hot sun and with little food and no toilets until they can be sent home by plane or boat.

Italian newspapers and opposition figures stepped up their criticism of the government for its policy. They said that photos of the impoverished refugees enclosed in a soccer stadium or being beaten by police had embarrassed Italy.

"The dream of the Albanians has died, but also that of the Italians," wrote a columnist, Enzo Biagi, in the Milan daily Corriere Della Sera. "The world's fifth industrial power is not even capable, in three days, of distributing 10,000 cups of coffee."

About 700 Albanians were put on a ferry to be sent home Monday, the authorities said. Hundreds of others were being flown to Albania.

But at Bari, hundreds of refugees refused to budge.

"We are poor. We are fighting for our lives," said Zef Socol, 23. Sweat rolled off from the student, who wore only dirt-smeared trousers.

Eltin Cilo, 17, said the economy had deteriorated so dramatically in Albania that most people were hungry.

"For supper I eat only a tomato," he said.

In addition to Albanians at Bari's port, about 1,000 remained at a soccer stadium in Bari.

The European Community, under pressure from Italy to do something to help stem the flood of refugees, on Monday announced an extra $2.3 million of emergency aid for Albania.

The EC Commission said in a statement in Brussels that the credits would be used to buy food and medicines. The money brings to about $4.7 million the amount of EC aid this year to Albania.

The EC pledged earlier to deliver 50,000 tons of wheat to the Albanians most affected by the economic crisis as part of a 24-nation effort to help the population.

The EC earlier granted aid to Greece and Italy to cope with refugees from Albania.

The EC Commission statement also said that an EC study group would be sent to Albania soon to evaluate its medium-term food needs. *(AP, Reuters)*

Yugoslavs Postpone Exchange of 70 Prisoners

Compiled by Our Staff From Dispatches

BELGRADE — Yugoslav federal authorities on Monday postponed a planned exchange of 70 Serbian and Croatian prisoners captured during weeks of ethnic fighting.

A member of a state commission monitoring a six-day-old cease-fire in the Republic of Croatia said the swap was delayed because the Serbs had not had time to collect Croatian prisoners from various places of detention.

"The Serbs cannot fulfill all the conditions necessary," said a commission official, Irfan Ajanovic, at a news conference, "and there is a lack of confidence between the two sides."

Twenty-five prisoners have already been freed under the supervision of the commission and the federal army. Prisoners from both sides have said they were beaten by their captors.

More than 300 people have died in fighting after Croatia and Slovenia declared independence on June 25.

Most of the deaths have been in Croatia, where a Serbian minority of 600,000 is resisting Croatian secession. At least six people have been killed since the cease-fire was announced Aug. 7.

In Belgrade, representatives of Serbia and its allies called Monday for a new constitution, a step seen as a push to form a new Yugoslav state dominated by the Serbs.

Serbia's president, Slobodan Milosevic, and leaders from Montenegro, the small southern republic that has long been his ally, and the mixed-population central state of Bosnia-Herzegovina said the new Yugoslavia should be a multiparty state. In a document issued by the three states, they urged that a new state should allow for a market economy and guarantee the equality of its constituent republics and peoples.

The heads of parliament from the three republics said their legislatures would discuss the initiative and that they hoped to meet again next week.

In Brussels, the Dutch foreign minister, Hans van den Broek, said Monday that the European Community may consider setting up an international conference on Yugoslavia if the warring factions there fail to agree.

"Our impression is that if the state presidency is unsuccessful in the next few days in achieving a start of negotiations among the parties most directly concerned," he said, "then it is perfectly possible the 12 will be called upon to investigate the possibility of convening an international conference over the future of Yugoslavia." *(Reuters, AP)*

General Strike Closes Capital of Madagascar

Compiled by Our Staff From Dispatches

ANTANANARIVO — Thousands of demonstrators massed in Madagascar's capital Monday, and a general strike brought the city to a standstill after violent weekend clashes killed at least 11 persons.

The opposition coalition, which has staged strikes and protests for more than two months in efforts to persuade President Didier Ratsiraka to resign, told supporters to turn Antananarivo into "a dead city."

Almost all banks, businesses and shops were closed. Workers at Air Madagascar, the state railroad and the public bus company were on strike.

The call for an all-out stoppage was aimed at tightening a general strike that began in early July but has been gradually relaxed in some sectors in recent weeks.

Opposition leaders told demonstrators in May 13 Square, the hub of a protest campaign that has thrown the Indian Ocean island into turmoil, that there was no longer any question of talking with Mr. Ratsiraka.

A 54-year-old former navy officer who took office in 1975 as head of a military junta, Mr. Ratsiraka has bowed to the opposition protests with a number of political concessions.

But he has ruled out resigning, and violence in the capital — the first major clashes in a hitherto peaceful protest campaign — hardened the opposition stance.

Saturday's violence erupted when security forces opened fire to stop a huge crowd trying to march on Mr. Ratsiraka's palace on the outskirts of the city. "The march on the presidential palace was our last resort to try to hold talks with Ratsiraka," said an opposition spokesman.

The government said in a statement that 11 persons were killed and 213 were injured in the clashes. But it denied that troops shot anyone, saying they fired over the heads of demonstrators and used tear gas to disperse them.

A Red Cross spokesman said that 31 persons died in Antananarivo and 20 in the northern city of Mahajanga from attacks by troops Saturday. He said that about 250 people were wounded in Antananarivo and about 50 in Mahajanga.

The Red Cross thinks that more bodies are lying in the mined paddies surrounding Mr. Ratsiraka's palace, built partly by North Koreans during the president's Marxist heyday.

Many demonstrators fleeing bullets from the guns of the North Korean-trained presidential guard, which include French mercenaries, ran into the fields, where the spokesman said that Red Cross workers searching for bodies were fearful of treading because of mines. *(Reuters, AFP, AP)*

WORLD BRIEFS

Kohl Vows to Avenge Deaths at Wall

BERLIN (AFP) — Chancellor Helmut Kohl of Germany pledged Monday to track down the persons responsible for killing more than 190 people as they tried to escape to the West from what was formerly East Germany.

"We owe it to the victims to bring to justice those responsible for their deaths," he said in a message marking the 30th anniversary on Tuesday of the construction of the wall that divided West and East Berlin.

Many Germans have complained that the authorities have been slow in punishing those responsible for crimes under the Communists. The former East German leader, Erich Honecker, 78, who fled to the Soviet Union in March, and the former head of the secret police, Erich Mielke, 83, have been charged with ordering the attacks on those attempting to flee the country. In addition, three former frontier guards are expected to stand trial later this year.

Afghans Free Soviet War Prisoner

ISLAMABAD, Pakistan (AP) — Afghan guerrillas freed a Soviet prisoner of war Monday as a goodwill gesture and then met a senior Soviet official to discuss an end to the 13-year-old war.

Nikolai Kozyrev, foreign minister of the Russian Republic, was the highest-ranking Soviet official to meet with the U.S.-backed guerrillas in more than two years, officials said.

The guerrillas said they released Qurban Ali Tashrifov, 31, a prisoner of war for more than seven years. In exchange, they said, the Communist government in Kabul has agreed to release 25 imprisoned guerrillas.

Brazil Reportedly Knew of Mengele

RIO DE JANEIRO (Reuters) — Brazilian authorities knew that Josef Mengele, the Nazi camp "Angel of Death," was in the country as early as 1968, sheltered by Hitler sympathizers, but did not arrest him, according to a declassified police report.

Brazil officially acknowledged the Nazi doctor's presence in the country in June 1985 after the police, saying they were acting on a tip from West Germany, dug up a body in a São Paulo cemetery. Specialists established it was that of the notorious Auschwitz camp doctor, who selected people to die in the gas chambers.

A report from the archives of the southern state of Paraná shows that the police knew Dr. Mengele was living in a small town in the interior at least 17 years before they "discovered" the body in São Paulo. The report was written by Erich Erdstein, a special agent for the secret police.

9 Were Executed at Arizona Temple

PHOENIX, Arizona (Reuters) — Six monks, a nun and two novices were sprayed with birdshot and then shot in the head or neck after being forced to lie down in an execution-style killing, a medical examiner said on Monday. "There was no sign of a struggle," said Sheriff Tom Agnos. "They were all face down."

The method of the weekend killing in a Buddhist temple, in the middle of a cotton field, raised fears among the area's 5,000 Thais, Cambodians and Laotians and some religious leaders that the murders were the work of racists who resented the influx of Asians.

The dead, mostly from Thailand, included a 16-year-old novice monk and his 71-year-old grandmother, the nun. Authorities believe the killings occurred early Saturday at the Wat Promkunaram Buddhist temple, the second-biggest in the United States. Police said they had ruled out robbery, retaliation or Asian gang activity.

Peronist Victory Stirs Menem Hope

BUENOS AIRES (Reuters) — Argentina's governing Peronist Party has scored an unexpected victory in the first stage of midterm elections, prompting President Carlos Saúl Menem to say he wants to run for reelection in 1995 despite a constitutional ban.

The Peronists won Sunday in the province of San Luis, as had been expected, and edged out two provincial parties in San Juan. The largest opposition party, the Radical Civic Union, kept its hold on Rio Negro Province. Mr. Menem said the surprise victory in San Juan, where Peronism had not won in 18 years, would improve his party's chances in other provinces, where elections will be held Sept. 8 and Oct. 27.

TRAVEL UPDATE

Austrian Airline Halts Zagreb Flights

VIENNA (AP) — Austrian Airlines temporarily halted flights to Zagreb, the Croatian capital, on Monday, citing higher insurance costs because of fighting in the Yugoslav republic. The state-owned carrier's scheduled flights to Zagreb will be suspended at least through Tuesday, a spokesman at the airline's Vienna office said.

He stressed that the suspension was temporary and that flights to Belgrade would continue. Lufthansa German Airlines is still flying to Zagreb from Frankfurt, an official at the carrier's Vienna office said.

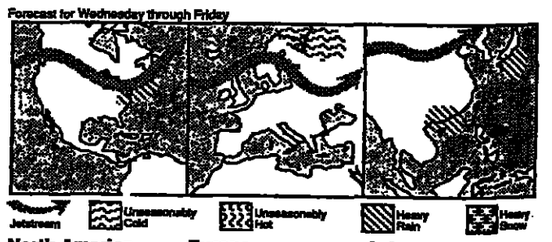
Venezuelan transport workers began an indefinite strike on Monday to protest increases in gasoline prices decreed by the government. A union spokesman said public transport had been disrupted throughout the country with the exception of Caracas, where the subway conductors and bus drivers voted not to join the strike. *(Reuters)*

France has agreed in principle to establish direct air links with Taiwan, but political pressure from China may delay a final accord, Communications Minister Eugene Chien of Taiwan said Monday. *(Reuters)*

Belgium's Sabena Airlines and Air Canada will join forces on routes from Brussels to Toronto and Montreal, officials said Monday. Sabena said the flights would entail a "blocked space agreement" under which it would make seats on its aircraft available to Air Canada. *(AP)*

The Weather

Forecast for Wednesday through Friday



North America

Cooler weather will return to the Prairies of Canada this week. No extreme heat is foreseen in the United States or Canada through Friday. A slow-moving storm will bring heavy rain to the Middle Atlantic coast Wednesday and Thursday.

Europe

Much of Europe will be sunny and warm Wednesday through Friday. Spain and southern France will be hot. Northern Great Britain through Scandinavia will have a few showers and cooler weather. The northwestern USSR will be very cool.

Asia

Tropical Storm Ellis will bring high winds and heavy rain to parts of the south coast of Japan Wednesday through Friday. A few showers will occur in Tokyo. A typhoon will bring heavy rain to southern China Wednesday through Friday.

Europe

	Today High	Today Low	Wx	Tomorrow High	Tomorrow Low	Wx
Algarve	34/93	23/73	s	34/93	22/72	s
Amsterdam	27/80	16/61	s	25/77	15/59	pc
Athens	32/89	21/70	s	32/89	21/70	s
Barcelona	31/88	21/70	s	33/91	21/70	s
Belgrade	29/84	13/55	s	29/84	13/55	s
Berlin	27/80	15/59	s	27/80	14/57	s
Brussels	29/84	16/61	s	29/84	15/59	s
Budapest	28/82	14/57	s	28/82	14/57	pc
Copenhagen	21/70	13/55	pc	21/70	12/53	pc
Costa Del Sol	33/91	23/73	s	33/91	23/73	s
Dublin	23/73	16/61	pc	23/73	15/59	pc
Edinburgh	21/70	14/57	pc	21/70	14/57	pc
Florence	30/86	16/64	s	30/86	18/64	s
Frankfurt	29/84	16/61	s	29/84	16/61	s
Geneva	30/86	16/61	s	29/84	15/61	s
Helsinki	17/62	9/48	sh	18/64	9/48	pc
Las Palmas	31/88	22/71	s	31/88	23/73	s
Leningrad	18/64	11/52	sh	18/64	9/48	sh
Lisbon	30/86	18/64	s	29/84	18/64	s
London	27/80	16/61	s	26/79	15/59	s
Madrid	34/93	20/68	s	33/91	19/66	s
Milan	29/84	18/61	s	29/84	18/61	s
Moscow	21/70	10/50	sh	21/70	9/48	sh
Munich	29/84	16/61	s	29/84	15/61	s
Nice	31/88	20/68	s	31/88	19/66	s
Oslo	18/64	10/50	pc	18/64	9/48	pc
Paris	30/86	17/62	s	30/86	16/61	s
Prague	28/82	15/59	s	28/82	14/57	s
Reykjavik	17/62	10/50	pc	17/62	10/50	pc
Rome	32/89	18/66	pc	31/88	19/66	pc
Stockholm	17/62	10/50	pc	18/61	9/48	pc
Strasbourg	30/86	17/62	s	30/86	16/61	s
Venice	29/84	15/61	s	29/84	18/61	s
Vienna	28/82	16/61	s	28/82	16/61	pc
Warsaw	27/80	14/57	pc	26/79	14/57	pc
Zurich	29/84	16/61	s	29/84	15/59	s

Middle East

Ankara	37/80	12/53	pc	28/79	13/53	pc
Beirut	32/89	23/73	s	32/89	23/73	s
Cairo	32/89	20/68	s	33/91	21/70	s
Damascus	35/91	19/66	s	34/93	17/62	s
Istanbul	23/73	14/57	s	25/77	14/57	pc
Jerusalem	29/84	17/62	s	28/82	16/61	s
Riyadh	42/107	27/80	s	43/109	27/80	s

Oceania

Auckland	16/61	13/55	pc	17/62	14/57	pc
Sydney	18/64	9/48	pc	16/61	8/46	pc

Asia

	Today High	Today Low	Wx	Tomorrow High	Tomorrow Low	Wx
Bangkok	32/89	25/79	pc	32/89	26/79	pc
Beijing	32/89	24/75	pc	31/88	24/75	pc
Hong Kong	32/89	24/75	pc	32/89	25/77	pc
Manila	32/89	26/79	pc	33/91	25/79	pc
New Delhi	36/97	29/84	pc	34/93	28/82	pc
Seoul	29/84	22/71	pc	28/82	22/71	pc
Shanghai	32/89	23/73	pc	31/88	23/73	pc
Singapore	33/91	24/75	t	32/89	25/77	pc
Taipei	33/91	22/71	pc	33/91	22/71	pc
Tokyo	29/84	22/71	pc	30/86	23/73	pc

Africa

Algiers	32/89	19/66	s	33/91	19/66	s
Cape Town	16/61	8/46	c	14/57	7/44	pc
Casablanca	34/93	21/70	s	33/91	20/68	pc
Harare	24/75	18/64	pc	24/75	18/64	pc
Lagos	30/86	24/75	pc	31/88	23/73	pc
Nairobi	22/71	14/57	pc	22/71	14/57	pc
Tunis	33/91	22/71	s	33/91	22/71	s

Latin America

Buenos Aires	12/53	2/35	pc	13/55	2/35	pc
Caracas	29/84	23/73	pc	31/88	23/73	pc
Lima	19/64	12/53	pc	18/64	12/53	pc
Mexico City	24/75	13/55	pc	24/75	13/55	pc
Rio de Janeiro	24/75	18/61	pc	24/75	17/62	pc

North America

Anchorage	17/62	11/52	sh	18/64	12/53	c
Atlanta	31/88	21/70	t	31/88	22/71	t
Boston	29/84	20/68	s	29/84	21/70	pc
Chicago	28/82	18/64	pc	31/88	18/64	s
Denver	29/84	15/59	t	28/82	13/55	t
Detroit	29/84	19/66	pc	31/88	19/66	s
Honolulu	31/88	24/75	pc	30/86	24/75	pc
Houston	34/93	23/73	t	34/93	23/73	t
Los Angeles	25/77	19/66	pc	29/84	17/62	pc
Miami	33/91	28/79	t	33/91	28/79	t
Minneapolis	29/84	18/64	s	28/82	18/64	pc
Montreal	28/82	18/59	pc	27/80	20/68	pc
Nassau	31/88	26/79	pc	31/88	26/79	pc
New York	30/86	21/70	s	31/88	22/71	pc
Phoenix	40/104	27/80	t	41/105	28/82	t
San Fran.	23/73	13/55	c	22/71	13/55	pc
Seattle	26/79	14/57	pc	27/80	14/57	pc
Toronto	28/82	13/55	s	28/82	17/62	s
Washington	31/88	21/70	pc	31/88	22/71	pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice

All maps, forecasts and data by Accu-Weather, Inc.

Warriors of the Fichita Lake

Anthony Bliss D

ONE TIME U.S. GR PERMA WIN THE U.S. Now You Can Qualify

WITH YOUR NOSE IN THE AIR

The Associated Press

A protester being arrested in Wichita for blocking access to a clinic in defiance of a judge's order.

For Galileo, Jupiter-Bound, Surgery From Afar

By John Noble Wilford
New York Times Service

PASADENA, California — Engineers at Jet Propulsion Laboratory are making a desperate attempt to rescue the Galileo, a $1.4 billion spacecraft 146 million miles away that is bound for Jupiter but crippled by a malfunctioning antenna.

Failure to repair the antenna, a project official said, would be "devastating" to the most advanced planetary mission now under way.

Engineers radioed instructions late last week to maneuver Galileo to aim its jammed main antenna away from direct sunlight into the freezing shade. They hope that this will contract metal parts and free the antenna to unfurl to its full width of 16 feet (4.8 meters).

If the maneuver fails, the 2.5-ton Galileo may be unable to communicate any discoveries to scientists when it arrives at Jupiter in December 1995. No backup mission is planned.

As Galileo approaches Jupiter, it will release a probe into the planet's atmosphere, then go into orbit around the planet, making close observations of it and its four large moons.

Two small antennas could send a trickle of data from the probe, but none of the promised photographs of the giant planet or its moons.

The antenna problem, which cropped up in April, has already forced engineers and scientists to lower their expectations for Galileo's flyby of the asteroid Gaspra in late October. This will be the first time a spacecraft has encountered an asteroid.

Even if the antenna is unjammed before then, project officials say it will be too late to restore the original plans for a more ambitious reconnaissance of the asteroid, which has a width of 10 miles (16 kilometers). Scientists will have to settle for several thousand fewer images from the encounter.

Officials said they remained confident that the problem would somehow be solved. They said engineers now felt sure that they understood the source of the jamming: 3 or 4 of the 18 ribs in the umbrella-like mechanism stuck in their stowed positions. They also said they could still try other corrective actions, but they acknowledged that the deep-freeze technique, although it had failed in an earlier, brief attempt, seemed the most promising.

"I'm still hopeful," said Dr. William J. O'Neil, the project manager, standing by a replica of the Galileo spacecraft. "If there's a way to fix it, we're certainly going to do it."

But what if they should fail?

"Devastating is the word," Mr. O'Neil replied.

Except for its antenna, the Galileo has performed flawlessly since its launching from a space shuttle in October 1989. It flew by Venus in February 1990 and Earth in December, using the gravity of the two planets to alter its course and gain energy for the long voyage to Jupiter. The spacecraft is to make another pass by Earth in December 1992 for a final boost toward Jupiter.

While Galileo was in the vicinity of Earth, its two small antennas were sufficient for communications. The main, or high-gain, antenna had remained like a closed umbrella, its ribs flush to a central metal tower. On a signal, the ribs should have extended up and out, opening the metallic-mesh antenna surface to its full parabolic shape. This should have taken only three minutes.

Engineers had several pieces of evidence pointing to the problem. Radioed data on the action of antenna components and the change in the spacecraft's spin rate indicated that the antenna was partly deployed. A sun sensor detected shadowing of the sun caused by what must have been a partly extended rib, at 35 degrees instead of the full 68 degrees.

The plan now is to cool the antenna for 50 hours. That process was to have begun Monday night. In addition, engineers have turned off many electrical components on Galileo to reduce temperatures even more. The hope is that the deeper chilling will contract the aluminum-beryllium central shaft and release the stuck ribs.

Crime That Pays for Rio's Gangs Is Kidnapping

By James Brooke
New York Times Service

RIO DE JANEIRO — It is a scene about as familiar here as the ones on Rio's postcards: Framed by the balcony of a beachfront apartment, a released kidnapping victim gives a weary thumbs-up sign.

The ritual has become a staple of the evening news as Brazil's reported kidnappings have mushroomed. In the first half of 1991, more people were kidnapped in Brazil — 79 — than in Italy during the height of its kidnapping scourge — 75 people in 1977.

While most of the kidnappings in Italy were carried out by leftist radicals, those in Brazil are the work of criminal gangs. Last year, families paid ransoms totaling an estimated $30 million.

Two-thirds of the kidnappings have been here in Rio, a once-relaxed South Atlantic city that one headline recently called the "Kidnap Capital."

The concentration in Rio is partly due to geography and partly to economics.

In contrast with Brazil's largest city, São Paulo, poor and rich live cheek by jowl in Rio — the rich in luxury apartment buildings and the poor looking down on them from hillside shantytowns.

And despite population growth, Rio's state economy stagnated in the 1980s, slipping to third place behind the more dynamic states of São Paulo and Minas Gerais.

Tracking the evolution of crime, Rio's criminologists note a sharp drop in the bank robberies and apartment building holdups that were common in the 1980s.

With banks posting guards armed with shotguns and apartment condominiums retreating behind electronic garage doors, criminals have discovered it is far easier to grab a 16-year-old girl on her way to school.

This case, the kidnapping of Adriana Dresjan, dominated the news last week until she was released on Friday, reportedly after payment of $300,000.

But without a special angle, kidnappings are no longer considered very newsworthy here. When Enio Schiavini, a middle-aged businessman from a working-class neighborhood, was kidnapped in June, one newspaper gave the crime four paragraphs.

This year's 50 known victims, all Brazilians, have included the owner of a supermarket chain, the local Coca-Cola bottler, an interior decorator, a dentist, a doctor, a food wholesaler and the daughter of the owner of a bus line.

The police believe that a large number of kidnappings are kept secret by the families of victims.

"Kidnapping has become banal," Otavio Seiler, director of the anti-kidnapping unit of Rio's police, said in early July. A few days later he was replaced, after serving only four months in the job.

Pressure on the police rose sharply in recent weeks as gangs started kidnapping Rio's *colunáveis* — regular fixtures in social columns.

Recent victims have included Rosangela Pouza Simoes, the 28-year-old daughter of the owner of a chain of luxury bridal shops, and Wagner Canhedo Jr., whose father's $1 billion fortune includes VASP, a major Brazilian airline.

Mr. Canhedo escaped his captors and Miss Simoes was freed by the police.

Nervousness by Rio's wealthy jumped last week after two men were killed in a residential neighborhood in a botched attempt to kidnap Maria das Gracas Meneghel, Brazil's most popular children's television host, commonly known as Xuxa.

Xuxa, who lives protected by eight security guards, confessed her fears in an interview published last week in Gente, an Argentine magazine.

"I am terrified," said Xuxa. "I live changing cars, changing houses. One night I sleep in one place, another night somewhere else."

After last week's attempt, Xuxa's manager disclosed that the performer had rented an apartment in Buenos Aires and was considering leaving Rio.

So far, Rio's police department has reacted to the crime wave with wanted posters and with weekly personal security courses for executives.

Left to their own, affluent Brazilians have responded by hiring guards, armoring their luxury cars, switching to inexpensive cars, and encouraging their children to study overseas.

'Warriors of Prayer' Declare Wichita Latest Abortion Front

By Don Terry
New York Times Service

WICHITA, Kansas — David Spear drove the 1,700 miles from his home in San Francisco as fast as his old car would go.

He made the trip in three days with little food, sleep or money because "the Holy Spirit led me here," to join what has become a monthlong assault on the city's three abortion clinics.

It has been a month of protests, prayers and police, a month that has brought national attention to Wichita along with hundreds of abortion opponents like Mr. Spear, a street artist, shoe shiner and window washer.

"I don't dislike pro-choice people," he said. "Some of my best friends are pro-choice, and I pray for them. All I want is the law changed. I want babies to live. It won't be easy, though, because Satan is all around us."

The protests, organized by the militant anti-abortion group Operation Rescue, have resulted in nearly 2,000 arrests since late July.

A federal judge, who issued an order forbidding the demonstrators from blocking access to two of the clinics, has received numerous threats and is under round-the-clock protection.

Slightly more than half of those arrested have been from Kansas. Mr. Spear and the others have come from big cities and tiny towns, from unemployment lines and steady jobs, from Michigan, Ohio, Florida, Oregon.

They see themselves, in the words of Mr. Spear, as "warriors of prayer."

To these warriors, the issue is clear and simple: Abortion is murder, and if it continues much longer, the United States will suffer God's judgment.

"I'm surprised God hasn't allowed another nation to take us over yet," said Gladys Mitchell, who is from Michigan.

Many of the abortion opponents, like Pam Schuffert, of Asheville, North Carolina, or Joe Stauder, of Ann Arbor, Michigan, travel from city to city, state to state, to block the gates of abortion clinics with their bodies and their hymns.

"I've been arrested in Atlanta, Dobbs Ferry, Washington, Charlotte, Greensboro, Asheville and a couple of other places," Miss Schuffert said. "I still have 10 days to serve in Greensboro and 36 hours in Charlotte."

Before coming to Wichita, she said, she was in jail in Raleigh, North Carolina, after a protest there.

"I'm weary," she said the other day as she prepared to rush the gate of a clinic. The campaign in Wichita, she said, "is my 16th rescue," using the term members of the anti-abortion movement favor for their efforts.

The authorities call it law breaking, and according to results of a survey made public over the weekend by The Wichita Eagle and KAKE-TV, 78 percent of the 483 Sedgwick County residents contacted disapprove of the protesters' tactics, and 52 percent feel the city's image has been damaged by the weeks of unrest.

For the most part, getting here was not easy for many of the protesters, largely blue-collar workers. Mr. Stauder was a janitor at a school until he quit his job almost three years ago to devote full time to abortion protests.

They travel in groups and pay for gasoline and food by saving pennies or by soliciting donations from church groups or relatives back home.

Also among their ranks are schoolteachers on vacation, medical technicians on their lunch breaks, retired couples and newlyweds.

The leaders are mostly men from out of town. The women, young and old, are "Mrs." or "Miss," rarely "Ms."

"We don't accept that term," said Stephanie Hunley, a Mrs. from Dayton. "It's a feminist term."

The vast majority of the protesters are white, a fact that apparently causes some concern. After telling a story about persuading a young woman in Dayton not to have an abortion, Mrs. Hunley said, "I'd also like to emphasize that the woman was a black lady."

"I know you don't see a lot of black people out here now," she said without being asked about the lack of black faces in the crowd of several hundred. "But we extend our hand to everyone. We love them, too."

Muzzle Law Takes Effect in Britain for Pit Bull Terriers

The Associated Press

LONDON — An emergency law that imposes strict controls on dogs of fighting stock took effect Monday.

The 1991 Dangerous Dog Act requires that the estimated 10,000 American pit bull terriers and the one Japanese tosa in Britain be muzzled and leashed in public.

The act further says that the dogs must be neutered by Dec. 1 or be destroyed. They cannot be bred or sold and must be tattooed with an identification number, and the owner must have insurance.

Once these requirements are met, an exemption certificate will be issued. If the owner prefers to have the dog destroyed, the government will pay compensation of 50 pounds ($85).

Failure to comply with any of the rules carries a maximum penalty of six months' imprisonment and a £2,000 fine.

The restrictions were imposed after several attacks by pit bull terriers and other dogs. After one attack, a 6-year-old girl spent 10 days in intensive hospital care.

The Royal Society for the Prevention of Cruelty to Animals said the law did not go far enough. It called for the registration of all dogs.

"Many serious incidents have taken place in the jaws of other dogs than the American pit bull terriers," a Society spokesman told Sky television news. The spokesman added that pit bulls, tosas and two breeds unknown to Britain — the filo Braziliero and the dogo Argentino — were singled out because they come from fighting stock.

Anthony Bliss Dies, N.Y. Arts Figure

New York Times Service

NEW YORK — Anthony A. Bliss, 78, for four decades a central figure in New York City's opera and dance worlds, died of a brain hemorrhage and pneumonia Sunday on Prince Edward Island, Canada.

Mr. Bliss was the executive director of the Metropolitan Opera for 11 years, giving up his law practice in 1974 to head the financially troubled organization. He was neither a musician nor a music professional, but his fiscal strictures helped prepare the Met for the marketplace hazards.

He also had a long relationship with the Joffrey Ballet, most recently as a co-chairman.

■ *Other deaths:*

Ralph W. Zwicker, 88, a retired army major general who was a central figure in the Senate's censure of Joseph R. McCarthy in 1954, of a heart ailment Friday in Fort Belvoir, Virginia.

Marshal Ivan N. Kozhedub, 71, a World War II air force ace who was awarded the title of Hero of the Soviet Union three times; the Tass report gave no other details of his death.

Charles (Cookie) Cook, 77, a member of the vaudeville tap-dance act Cook and Brown and a popular tap-dance teacher, of kidney failure Thursday in New York.

Hans Jacob Polotsky, 86, a linguist, orientalist and profesor emeritus at the Hebrew University in Jerusalem, Saturday of unspecified causes.

Herbert Levine, 75, a leading manufacturer of high-fashion women's shoes for nearly three decades, Thursday in Westhampton Beach, New York.

Richard C. Hess, 57, a graphic designer and illustrator who began his career by creating pictures for the paint-by-the-numbers kits in the 1950s, of complications from septic shock syndrome Monday in Torrington, Connecticut.

Cornelius Van Schaak Roosevelt, 75, a grandson of President Theodore Roosevelt who headed a Central Intelligence Agency unit designed to foil electronic eavesdropping, of a heart attack Aug. 2 in Washington.

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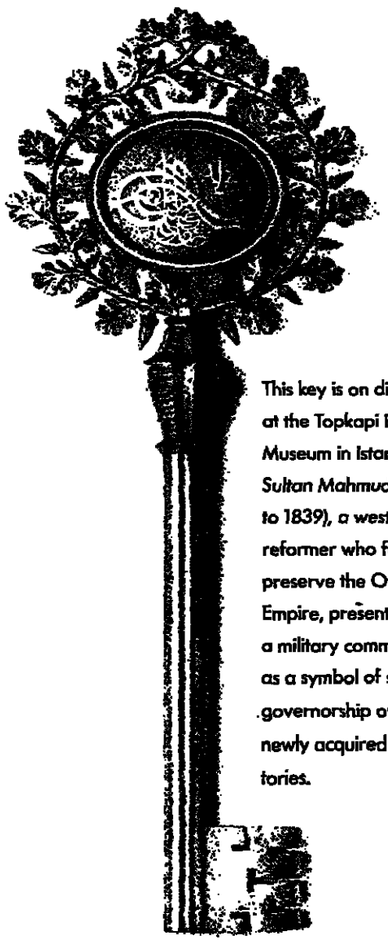

This key is on display at the Topkapi Palace Museum in Istanbul. Sultan Mahmud II (1784 to 1839), a westernizing reformer who fought to preserve the Ottoman Empire, presented it to a military commander as a symbol of sovereign governorship over newly acquired territories.

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Herald INTERNATIONAL Tribune
Published With The New York Times and The Washington Post

A Better China Policy

Zhang Weiguo, a leading journalist who spent 20 months in jail after the June 1989 Beijing massacre, was reportedly picked up again late last month. While Washington remains locked in a futile symbolic debate over China's access to "most favored nation" trading privileges, Beijing goes on persecuting democrats. It is time to seek new approaches aimed at recovering America's squandered leverage.

President George Bush and his congressional critics have both contributed to the loss of American influence, but Mr. Bush deserves the larger share of blame. The president has often seemed to go out of his way to signal to Chinese authorities that however flagrantly they offend American opinion, he will protect them against retaliation.

Congress, for its part, is fixated on one particular kind of retaliation, and not a very good one at that. Broad trade sanctions, such as threatening to cut off most-favored-nation privileges, are crude tools. In China's case, an actual cutoff would hurt grass-roots reformers at least as much as it would hurt governmental hard-liners. Besides, while Congress has the votes to embarrass the president with majorities against the renewal of most-favored-nation privileges, it clearly lacks the votes to override a certain veto. One useful way to break the impasse would be to compromise on more narrowly targeted sanctions, linking specific types of U.S. cooperation and assistance to particular human rights and proliferation concerns.

That is an approach Mr. Bush might accept. He has already pointed the way. In the May speech calling for renewal of Beijing's most-favored-nation privileges, he announced a ban on technology and equipment transfers to any Chinese company found violating missile proliferation rules. Looking only at individual companies in a state-managed economy leaves a big loophole, but the concept of targeted sanctions is sound.

The Bush administration has also threatened China with retaliation for economic infractions, like piracy of U.S. copyrights and patents. But it has refused to exert direct leverage for human rights. If Mr. Bush had used that May speech to send a stronger human rights message to China, and warned credibly of targeted sanctions in the event of new outrages, he might have avoided the embarrassment of repudiation by majorities in Congress. More important, people like Zhang Weiguo might still be free.

— THE NEW YORK TIMES.

Untie the BCCI Knot

BCCI is the center of the first truly worldwide financial conspiracy. The bank managed to evade regulation for nearly two decades by dispersing its key operations among many countries under many different legal systems. That will now make it unusually difficult to manage the responsibility for finding out how the bank worked and punish the guilty. On Friday a federal bankruptcy court in New York unintentionally demonstrated the dangers ahead.

Three different kinds of interests are in competition as the case of this renegade bank develops. One is the interest of the creditors, particularly the depositors who have lost very substantial amounts of money. None is in the United States, but there are hundreds of thousands abroad. Second, there is the public interest in prosecuting the people who bear the blame for these losses. Finally, there is the separate and rather different public interest in exposing all that went wrong to determine whether people in public office were implicated and to see where the laws need repair.

In New York the bankruptcy judge extended his order prohibiting further legal action against BCCI. He was responding to anxious pleas from Europe and the Cayman Islands to protect the bank's assets while authorities in America and abroad consider a fair distribution of what is left. But that will take a very long time, and this order threatens to get in the way of other urgent steps. The Federal Reserve Board may have further orders to impose. Five grand juries are at work, and it is clear that more indictments are coming. Senator John Kerry, the Massachusetts Democrat whose subcommittee has held a series of useful hearings, filed an affidavit with the bankruptcy court delicately suggesting to the judge that the bank and its officials are being given more than adequate opportunity to destroy records.

In the BCCI case, the magnitude of the financial crimes already apparent calls out for vigorous and unimpeded prosecution. But to lay out the whole structure of this enormous series of thefts will require a broader kind of investigation. The Federal Reserve has already published a splendidly detailed first installment of its findings. Several congressional committees are at work. This case may turn into, among other things, a test of Congress itself, for it is very possible that some of BCCI's largesse has found its way to members and their campaign funds. But a determined and well-led congressional committee is a formidable instrument of exposure. Other interests cannot be allowed to hamper or delay these investigations. Somebody has to show the world what really happened and where the money went.

— THE WASHINGTON POST.

Defense Is Not Served

The Senate found a strange way to celebrate the recent signing of a landmark treaty with the Soviet Union to cut nuclear arms. Within days it voted to deploy anti-missile defenses that could now spur the Soviets to reverse course and build additional arms. That needlessly risks U.S. security and calls for heavy new expenditures. And to what end? To counter unlikely nightmare scenarios, like unauthorized nuclear launches by renegade Soviet republics or attacks by Third World dictators armed with long-range nuclear missiles. The House, which will address the issue after the current recess, would be wise to vote against deployment.

For 40 years, the best defense has been a secure offense. That is likely to remain the case, whether the threat is deemed to come from the Soviet Union or from the developing world. Neither Washington nor Moscow can tolerate efforts by the other to develop defenses that might nullify nuclear deterrents. That is why they signed the 1972 Anti-Ballistic Missile Treaty drastically limiting defenses.

That treaty has made it possible to negotiate cuts in offensive missiles. If the United States now deployed missile defenses, the suspicious Soviet military would press President Mikhail Gorbachev to improve offenses. The simplest way to do that is to put decoys and other devices on Soviet missiles to enable them to penetrate defenses. That could render the initial U.S. deployment, of 100 interceptors, useless against even a small accidental Soviet launch.

Worse yet, the Soviets could halt further reductions and call the new START agreement into question. In signing it, the Soviets formally noted: "This treaty may be effective and viable only under conditions of compliance with the [ABM] Treaty."

Although the initial deployment of 100 interceptors would comply with the ABM Treaty, proponents acknowledge that a sensible defense against missiles would have to include many more sites and interceptors. They want to renegotiate the treaty in order to expand deployments. But what if Moscow won't go along, as is likely? Proponents would then face a nasty choice between an ineffective 100-interceptor deployment and a treaty-busting larger one. Before Congress commits the United States to any ABM deployment, Washington needs to explore that with Moscow.

For their part, the scaremongers selling ABMs have trouble identifying a plausible source or scenario for the threats they purport to counter. In Moscow, President George Bush discounted the notion that "a breakaway republic is going to use a nuclear weapon against the United States." The same could be said for Soviet generals. Besides, the best way to cope with such remote risks would be to further reduce and control warheads scattered around the Soviet Union.

No Third World state has reason to develop intercontinental-range missiles, because threats to security lie closer at hand. But if one did, why wouldn't it be similarly deterred? Saddam Hussein's Scuds seem to have scared the Senate out of its wits. The House can restore sanity by halting the rush to deploy defenses that would only undo deterrence and reverse the hopeful trend toward reducing offenses.

— THE NEW YORK TIMES.

Other Comment

Beijing Is Running the Show

There was no mistaking the symbolism of the wreath that Japanese Prime Minister Toshiki Kaifu laid on the Monument to the People's Heroes in Tiananmen Square on Sunday. The message will not be missed: The events of June 1989 in the square are a matter of history, and will not be allowed to hinder Sino-Japanese relations. Mr. Kaifu is the first leader of one of the Group of Seven to visit Beijing since the crushing of the democracy movement put China into a diplomatic deep freeze. The thawing-out process is well under way, with Prime Minister John Major leading a delegation to Beijing next month.

For China, the propaganda coups from the two visits are considerable, but it is not all one-way traffic. Beijing is mending fences of its own by agreeing tentatively to the terms of the Nuclear Nonproliferation Treaty, a nod to public sentiment in the United States.

— South China Morning Post (Hong Kong).

To what extent are Western governments unwittingly playing China's game? To the cynical, China's leaders have simply decided that to retain most-favored-nation trading privileges with America and be visited by Western politicians, they must pretend to listen to the West's concerns.

— The Economist (London).

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International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France. Tel.: (1) 46.37.93.00. Telex: Advertising, 613595; Circulation, 612832; Editorial, 612718; Production, 630698.

Directeur de la Publication : Richard D. Simmons
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S.A. au capital de 1,200,000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337
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OPINION

The Soviet Military Complex Is Holding Gorbachev Back

By Jim Hoagland

PARIS — The Cold War is not over, a Soviet intellectual told me morosely during the recent U.S.-Soviet summit. It continues inside the Soviet Union. An entrenched Soviet defense establishment fights as fiercely as ever to hold on to the resources and perks it commanded for a global confrontation with the United States, despite the outbreak of peace.

The internal conflict pits Soviet civilian experts and politicians who recognize that their country is going broke at a dizzying pace against generals and party bosses who have made their careers in the giant Soviet military-industrial complex. The struggle now is over money, not territory.

The factories continue to make excellent tanks or warplanes while making a few mediocre tractors or washing machines.

The stakes for the West in how this battle comes out are enormous. Restructuring of the Soviet Union's military and its defense industries holds the key to long-term global stability. Unfortunately, the generals and factory bosses have held their own in the initial skirmishing.

Western hopes that Soviet defense spending would enter a steep, continuing decline, and that Soviet tank factories would efficiently and happily turn to producing washing machines or tractors, now look illusory. Mikhail Gorbachev's plans for "defense conversion," which he asked the London Group of Seven summit to support, are more sizzle than steak.

Defense conversion was supposed to strip down Soviet military potential while building up consumer goods production. It was to be a twofer. Thus far it is doing neither.

In the half dozen instances of conversion that the military has undertaken, the factories continue to produce excellent tanks or warplanes while making a few mediocre tractors or washing machines.

Leaders in the military-industrial complex have persuaded Mr. Gorbachev that they head the only cost-efficient part of Soviet industry and should therefore take the lead in consumer goods manufacturing. Western officials voice support for this wrongheaded and dangerous notion.

The Soviet military-industrial complex builds rockets and tanks that work because its factories are able to disregard cost as a factor. Unlike their civilian counterparts, military factory managers keep rejecting shoddy material until they get what they need. But their refrigerators or baby buggies will be astronomically expensive and probably not much good, says Andrei Kortunov.

"The whole concept of a tank engine is that it will work for a couple of days at full speed. Tractors need engines that last a long time. And I doubt that an SS-20 rocket scientist will be much good at designing simple washing machines. It is a mismatch to expect this industry to solve that problem."

Mr. Kortunov is the sharpest analyst of Soviet defense and foreign policy I know. From his perch as head of the foreign policy department at the USA and Canada Institute in Moscow, he carefully observes the political-military affairs of both superpowers.

Defense conversion grew out of "Gorbachev's desire to show the people a peace dividend out of the withdrawals from Eastern Europe," Mr. Kortunov told me. "But letting individual plants produce consumer items changes nothing if the military simply adds a production line for civilian goods. The end result is that the military gets more resources than it had before and no structural change is made. Until the structural change is made and these enterprises are removed from the military command system, conversion won't really help."

Moreover, Soviet military spending will rise from a projected 77 billion to 100 billion rubles in this fiscal year's public budget. Military demands forced Mr. Gorbachev to prepare a supplemental budget in July despite his government's promises to stop printing rubles to meet unexpected needs, Mr. Kortunov reports.

The pattern of how the Soviet military is spending these rubles is revealing as well. It is the reverse of the United States, where Defense Secretary Dick Cheney is cutting short-term procurement sharply to put more money into research and development of the next generation of American weapons.

In the Soviet Union, procurement of weapons from existing production lines continues to take priority, to the detriment of research. Plant managers have as much say about the quantity of weapons produced for the armed forces as does the Ministry of Defense.

The Soviet military-industrial complex resists the radical structural changes that the end of open superpower hostility should bring. Until there is a break with the old system, the West should look warily on proposals for financial support of Mr. Gorbachev's conversion plans. Such support could retard the radical restructuring of the Soviet defense industry that is needed to end the last battle of the Cold War.

The Washington Post.

What the New Soviet Union Really Needs Is a Middle Class

By Silviu Brucan

BUCHAREST — In the East, Mikhail Gorbachev's reception by the Group of Seven leaders looked like the gathering of a rich family that decided to invite a poor, distant relative to dinner. All the formal courtesy extended was designed to show that he was not and could never be "one of them."

The World Bank's latest World Development Report tells why: The seven rich industrial countries are in the $20,000 per capita national income bracket, while the Soviet Union and East Europeans are in the $2,000-$3,500 bracket. And this report, based on 1989 figures, is not the whole story. In the same year, the foreign debt of the Soviet Union and Eastern Europe had already surpassed $150 billion, which means that they must pay at least $10 billion services and interest annually.

Small wonder that Mr. Gorbachev insisted on Western investment, joint ventures and trade facilities rather than credits and loans.

Spectacular achievements in space and modern weaponry have allowed the Soviets to place one leg into the 21st century, but they are still stuck in a society that lacks virtually all the postwar breakthroughs of industrial societies, from mass production of consumer goods and food products to the tremendous expansion of services, travel, telecommunication and all that the age of electronics and computers has brought to make life easier, richer and more comfortable.

Building a market economy is a much more difficult task in the Soviet Union than it is in Eastern Europe. Not only economically but also politically and socially, Soviet conditions are less propitious for such a radical overhaul of society.

Unlike in Eastern Europe, the Communist Party still dominates Soviet society. The party of Lenin and Stalin has lost moral and political authority; ideologically is in shambles and nothing could stop its final dissolution. But for the time being, the old party structures have proved resilient in controlling local and even central administration.

Boris Yeltsin's success in Russia may be the first serious challenge to Mr. Gorbachev's personal hold on power, but Mr. Yeltsin's loose and heterogeneous coalition, Democratic Russia, is far from a political party strong enough to replace the Communists. Market reform can hardly make headway so long as most administrative jobs are manned by Communist bureaucrats.

But the greatest barrier to establishing a Soviet market economy is the lack of an adequate social base, the middle class. In Eastern Europe, one can measure the progress made by market forces with that yardstick: the share and influence of the emerging middle class in each society.

In Hungary, for example, where market mechanisms have been at work since 1986, a large middle class is already in place. Managers and entrepreneurs, engineers and specialists, shopkeepers and owners of repair services, restaurants and small factories, professionals in science, education and arts, doctors and dentists, not to mention political dignitaries and bureaucrats, already enjoy such privileges that mass media speak of rich and poor, while the government is compelled to protect people with fixed incomes.

In the 1990 elections, those socio-professional groups played a major role for the first time, with the two political parties that led the vote representing precisely the "middle-class effect." Parties appealing to the workers got less than 10 percent of the vote.

In Romania on the other hand, where workers are still predominant in urban centers, the National Salvation Front was the beneficiary of the nation's relative underdevelopment.

The crisis of Solidarity in Poland is a striking effect of social turnabout. The decline of its membership to a third of that of 1981 reflects the strong popular current driving Poles to seek middle-class status.

As for the Soviet Union, Mr. Gorbachev's complaint that the entrenched bureaucracy has been blocking his reforms is only part of the story. The main resistance comes from below, from the manual workers who make up more than 30 percent of the work force. They resent being pushed to work harder and better. The possibility of unemployment terrifies them, while the loss of state subsidies for basic food items that used to compensate for depressed wages is making them angry.

Workers cannot afford to pay the new, high prices. But they see the rising class of merchants, entrepreneurs and black marketeers enjoying the benefits and privileges of perestroika. Therefore they go on strike.

The peasants are reluctant to accept a radical change in land ownership. In the cities the mass hostility against the new cooperatives has almost killed the movement.

Without a dynamic middle class one could hardly move a conservative society forward. And there is very little of that social stratum in the Soviet Union after seven decades of communism. In the three Baltic states, where capitalist structures prevailed before their annexation, quite a few have survived. But Mr. Gorbachev's brutal national policy has alienated them.

Economic programs, however ingenious, are not enough so long as political and social prerequisites for the market are missing. The conclusion is startling: Mr. Gorbachev's prudent and reluctant position toward radical economic reform, actually a revolution in the Soviet Union, is probably the most realistic approach under Soviet conditions.

The writer, an economist and former Romanian ambassador to the United Nations, contributed this comment to the International Herald Tribune.

Middle East: A Constructive Vision of the Future Is Still Lacking

By Yehuda Lukacs and Abdul Aziz Said

WASHINGTON — It should surprise no one that the American initiative for an international peace conference on the Middle East has not been met with the enthusiasm it deserves among Israelis and Arabs. A considerable amount of work is being done, but the inspiration of a long-term vision of peace is missing. In the absence of a charismatic leader in the Middle East, only President George Bush can offer that vision.

The American president should get involved personally in the process before convening the conference this fall. His efforts should transcend the IOUs accumulated during the Gulf war, which appear to define the parameters of the initiative. Old formulas need to be discarded in favor of bold creativity. The conference should be regarded as a means of reaching the goal of creating a new order in the Middle East based on economic viability, political coexistence and cultural pluralism.

Mr. Bush ought to pursue public diplomacy by presenting his vision of peace in a direct message to the peoples and governments of the Middle East. This should call for common security for the people and states of the region as well as concrete steps toward a regional arms control regime.

As the largest arms supplier to the region, the United States must begin by taking steps to reduce the flow of arms to the area. More than ever, the United States also needs to support goals that promote a partnership of peace — between resource-rich, population-poor Arab Gulf states, and population-rich, resource-poor Arab states, and between Israeli and Palestinian technical know-how in order to create a common fate in the region.

Clarification of America's long-term goals in the Middle East would force the regional actors to define their long-term positions as well.

Syria, for example, ought to decide on the type of agreement it wants with Israel. While it is tempting for Damascus to sign a bilateral agreement with Israel in return for Israeli withdrawal from the Golan Heights, such an outcome undermines the foundations of a new order in the Middle East. If the Syrians seek a comprehensive peace agreement, they need to take a dramatic step to reach out to the Israelis. They should articulate a long-term vision of peace. The Palestinians, too, should offer their vision of peace. True, the Palestinians are in the least advantageous position, but they could turn their weakness to strength. While negotiating with Israel within a Jordanian-Palestinian framework is not ideal, only the Palestine Liberation Organization can ultimately validate the outcome of any agreement. It is understandable that the Palestinians feel overwhelmed by what appears to be American-Israeli-Arab collusion, but they have the choice of accepting or rejecting any accord. They must take the future into their own hands.

Israel should recognize the centrality of the Palestinian question. A separate Israeli-Syrian agreement would not gain Israel admission to a new Middle Eastern order. If an accord is reached, Israel could become a full partner in the region's reconstruction and development. It has the technology, expertise, cultural affinity and temperament to operate in an Arab environment. Israelis should believe that peace with Palestinians and Arabs is possible. But Israel cannot reach a pact with the Arabs without withdrawing from the occupied territories.

Once the international peace conference convenes, a number of confidence-building measures are needed. Both Arabs and Israelis must declare a moratorium on hostile propaganda in their respective media. As an act of good faith, both sides should declare willingness to refrain from purchasing or receiving arms during the duration of the conference. Both sides also should declare a moratorium on all acts of violence against each other.

The United States, as co-host of the conference, should ensure that an open-ended agenda exists.

A solution to the problem of settlements in the occupied territories might entail recognizing the right of Jews to settle in some parts of Palestine and the right of Palestinians to settle in parts of Israel. But these are rights of peoples, not of states.

Even an Israeli-Palestinian confederation should not be ruled out in the not too distant future. All roads then could lead to Jerusalem, the confederal capital.

Israelis and Arabs, heirs of the old order of conflict, could become the architects of a new order of peace and prosperity. Only President Bush can help Arabs and Jews fulfill the prophecy of beating swords into plowshares.

The writers are members of the faculty of the School of International Service at The American University, in Washington. They contributed this comment to the International Herald Tribune.

Austria: Europe Updates an Old Identity Problem

By William Pfaff

SALZBURG — Is there really an Austria? Until last year that was a question Austrians could avoid. It cannot be avoided now. The reunification of Germany has made that impossible.

Joining "Europe" might seem the way round the question. Austria is near the head of the queue of countries applying to join the European Community. But public opinion is not convinced that this is a good idea.

There are a number of reasons why many Austrians don't want to join the Community. For one thing, rather than solving the problem of Austria's relationship to Germany it seems to threaten even more German influence on Austria than already is the case, since Germany is the most powerful economy in the EC.

There are practical objections. The Austrians claim that Austrian ecological norms are higher than the Community's, and ecology is a big issue in Austria. EC farm subsidies are lower than in Austria, which also is politically important. A big local issue is transport. Austria's misfortune is to lie on Western Europe's main north-south and east-west routes, with borders on seven countries. The trucks and trailers pound through Austria's valleys and alpine tunnels on their way to non-Austrian destinations. People fear that once Austria is in the Community there will be no way to regulate or restrict this traffic, or to force it onto the rails, as the Austrians want.

Community membership is also thought to jeopardize Austrian neutrality. Neutrality between what and what, one may ask, now that the Cold War has faded. Neutrality as such seems to be the answer, as in Switzerland. On Switzerland's example, a small country would seem to save itself a great deal of trouble by declaring itself outside power rivalries.

This works best if you have cooperative neighbors and live in a zone of inherent stability, which is not the case for Austria. In fact, Austria's big current complaint against the European Community is that Brussels is not intervening forcibly enough in Yugoslavia's power rivalries. The Austrians want Slovenian and Croatian independence recognized.

These objections to EC membership do not add up to a coherent alternative policy for Austria. Hence they are unlikely to prevail, given reasonable political management of the issue by the government. But they do reflect the underlying problem of Austria's modern identity.

Before 1918, identity posed no question. Vienna was the seat of the great Habsburg dynasty, successor in the 15th century to the crown of the Holy Roman Empire, at its peak of power uniting under one family Spain's empire with Austria's, the sovereignties of Burgundy, the Netherlands, Bohemia, Hungary, Italy.

There was no real ideological or moral base for the Habsburg system once the age of absolutism was past. In the 19th century, liberalism and nationalism undermined the empire. World War I was the final shattering blow. After that there was only Austria, a truncated German-speaking republic uneasily unconvinced of its right to an independent existence — willing to hand itself over to Germany when Hitler beat the drum of "Ein Volk, ein Reich, ein Führer."

However, the postwar Austrian republic has steadily gained popular support. Those who identify themselves as "Austrians" rather than as "Germans" have risen to more than 90 percent of the population today. Opinions can change, though, and in Austrian intellectual and political circles one hears considerable concern expressed about both the rise of nationalism in unified Germany and the supposed fragility of national feeling in Austria. Gerhard Botz of the University of Salzburg asks if "the German locomotive" might not be "already out of control." He concludes that the possibility that this is so cannot be totally excluded.

So long as there were two German states, West and East, and West German patriotic feeling seemed detached from specific nationhood, Austrians were under no pressure to consider who they were and why there was an Austria. Today it is legitimate to ask what answers Austrians would give, were a united Germany to put those questions. As Mr. Botz says, "How deeply anchored is this sense of Austrian nationality in reality? … Can we be sure that a liberal democratic, socially and internally assured Austrian identity would prevail even in times of crisis?" The fact that his questions have to be raised is troubling. The fact that they are being raised is reassuring.

One would nonetheless think that membership in the European Community offers a solution, or at least the road toward a solution. If the choice were between Vienna as a German provincial city and Vienna as a European regional capital, the latter would seem the more agreeable outcome. However, the "Europe of Regions" that would make this possible — and that many elsewhere in Europe would like to see come about — seems, on present perspectives, a trifle utopian.

It remains a Europe of Nations. The Europe of the Six could aspire to become a federation. Federation is what the Europe of the Twelve says it intends. But the Europe of the Twenty-Six — which is what "Europe" now could become, incorporating present candidates for membership, Eastern Europe, plus Malta and Cyprus — cannot become a federal nation.

At best it becomes a confederation or alliance of individual nations. That leaves Austrians (and the Germans as well) with their questions about nationhood unanswered.

International Herald Tribune.
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IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1891: Global Newspaper?

PARIS — Chicago proposes to have the largest newspaper ever published. The new journal will eclipse its competitors in the quantity of its news and the full treatment of local pork incidents. The London *Times*, the Paris *Figaro*, and several other European, Asian and African journals will be telegraphed to Chicago and will appear every morning as supplements. The projectors believe the newspaper will so discourage the merely local newspapers that they will cease publication and the new universal Chicago paper will monopolize. New York journalists think the journal will be a failure, but this is of course due to the envy which prevents New Yorkers from sleeping.

1916: No Aid to Syria

WASHINGTON — Turkey has refused the request of the United States Government to allow a neutral committee to distribute provisions and medical supplies in Syria, where the inhabitants are starving by thousands. It is thought that the Ottoman Government is merely the catspaw of the Wilhelmstrasse, which, in anticipation of an early resumption of the submarine warfare on a larger scale than formerly, is endeavoring to stir up as much trouble as possible for President Wilson.

1941: Pledge to Turkey

LONDON — [From our New York edition:] The British and Russian governments announced tonight [Aug. 12] that they have promised all aid to Turkey in the event of Nazi aggression. The declaration of aid was made by ambassadors of the two countries at the Turkish Foreign Office. The declaration, the British Foreign Office said, "was instigated by the Russian government and we were eager to participate." The two governments "are prepared scrupulously to observe the territorial integrity of the Turkish Republic."

OPINION

His Politics Get in the Way Of Constitutional Rights

By Anthony Lewis

ATLANTA — As he leaves office, Attorney General Dick Thornburgh leaves behind a mystery. Why has he used that great office to denigrate the rights of Americans?

It is an urgent question. This year is the 200th anniversary of the Bill of Rights, the first 10 amendments to the U.S. Constitution, but it is a hard time for constitutional rights. The public, stressed by crime, is unsympathetic and impatient with the whole idea of rights for the accused.

The American Bar Association, meeting in Atlanta, has heard much concern about the state of the Bill of Rights. Officers of that historically conservative organization have called for national leadership to make Americans understand again the importance of the freedoms which, as one put it, have "shaped the American character."

Now Thornburgh is fighting a federal judge's effort to prevent mob rule by an extremist anti-abortion group.

The U.S. attorney general is in a unique position to provide that leadership. But instead, Dick Thornburgh treated constitutional rights with at best disregard, at worst demagogic politics.

For example, he carried on a determined campaign to destroy an important aspect of habeas corpus — the right of federal courts, written into U.S. law since the Civil War, to examine claims by state prisoners that their constitutional rights were violated.

When he was charged last year with trying to wipe out that function of the federal courts, Mr. Thornburgh said the charge was "outlandish." But it was true then, and it is even more obviously true now. For last month the Senate approved an administration bill that would have that effect.

The incoming president of the American Bar Association, Talbot D'Alemberte, said the Senate bill would "effectively eliminate habeas corpus federal review." Writing in The Atlanta Journal and Constitution, Mr. D'Alemberte said the Thornburgh proposal, as passed by the Senate, "could dramatically alter the character of this country and make us all less free."

If there is any right that an attorney general would surely be expected to support, it is the right to counsel. But a provision in the Thornburgh-Senate bill says that court appointment of counsel for poor prisoners and habeas corpus causes, which is now mandatory, shall be discretionary. How small, how mean.

Now Mr. Thornburgh is fighting a federal judge's effort to prevent mob rule in Wichita, Kansas, by the extremist anti-abortion group Operation Rescue.

Anti-abortion demonstrators have used force and threats to keep women from going to abortion clinics. Judge Patrick Kelly relied on an 1871 law that forbids conspiracies against the exercise of constitutional rights — in this instance, the right of women to choose abortion — as the basis for enjoining further use of mob tactics.

The Supreme Court has agreed to consider next term the applicability of the 1871 law. The Justice Department will urge as a friend of the court that it does not apply.

Mr. Thornburgh said he intervened in the Wichita case just to make that argument. "We're not taking sides in this case," he said in a press conference. But there was no need for the Justice Department to step into the tense Wichita situation in order to anticipate a Supreme Court argument. It was wholly gratuitous, and in the circumstances a shocking disregard of the attorney general's duty to help federal courts when they face defiance of the law.

Mr. Thornburgh claimed that his intervention was merely in the interest of federalism, the proper balance of state and federal power. That is a strange argument to come from him, after his failure to object to the most radical assault on federalism in years — the provision added to the Senate crime bill that turns all state crimes committed with guns into federal crimes.

The real reason for Mr. Thornburgh's decision to intervene in Kansas is evidently politics. And that is also the evident solution to the mystery of Dick Thornburgh as attorney general.

He has been widely regarded as a moderate man, sensitive to human needs. But he is about to run for the Senate in Pennsylvania, and after that he would like to be president. And he thinks the way to win is to appeal to the extreme right.

Mr. Thornburgh was an assistant to Edward Levi, who as President Gerald Ford's attorney general restored luster to that office after the Nixon years. Mr. Thornburgh had a similar opportunity after Edwin Meese. He chose another course.

The New York Times.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

LETTERS TO THE EDITOR

New York Like Moscow

Regarding the opinion column "Civilized Society Requires a Government" (July 27) by Anthony Lewis:

Mr. Lewis tries to convince his readers that high taxes are necessary to make urban society bearable. I am afraid that only members of the liberal choir will respond positively to his sermon.

Mr. Lewis wisely chooses New York City as a model of accelerating urban decay, but ignores the implications of his own observation that the number of city employees has increased by almost 50 percent in the past 30 years. City employees enjoy excellent pay and a mind-boggling array of benefits, including retirement after 20 years of "service" with a pension that is often equal to their final salary. The collusion between a weak city government that is anxious for labor peace and a group of militant, greedy public employee unions has led to New York City's fiscal crisis.

In the present pinch, city and state governments are resorting to the transparent gimmick of cutting back important services to extort more from taxpayers. America should deny massive federal aid to New York and other financially strapped cities and states for the same reason that it should deny it to the Soviet Union: Aid would enable a corrupt political class to avoid uncomfortable reforms.

ROBERT M. KELLEY.
Dhahran, Saudi Arabia.

Other BCCI Questions

In "U.K. to Open Inquiry on BCCI" *(Business/Finance, July 20)* one reads that "the British authorities have faced persistent questions over why they did not act much earlier against BCCI," and that the chancellor of the Exchequer deemed an inquiry necessary because of widespread public concern over "the massive, unprecedented fraud on a worldwide scale." As a BCCI depositor, I am astonished that the real questions in this affair are not being addressed: Why did the Bank of England act so precipitously and, most basically, whom was it trying to protect and whom was it trying to punish?

If BCCI's new majority shareholders, already expensively deceived by the fraudulent accounting practices attributed to prior management, are now to lose all of their investments, BCCI's depositors to lose all their deposits not covered by limited government insurance plans, and BCCI's employees to lose their jobs, it is hard to imagine how the situation could have been worse for any concerned party had the Bank of England done nothing.

It is hard to believe there is anything unprecedented about the wrongdoing attributed to BCCI. From the American "sting" operation that started its downward slide to the final British stab in the back, the bank's principal sin appears to have been that it was Arab-owned.

ROMA S. CROCKER.
Le Rayol-Canadel-sur-Mer, France.

Not So Hot in the West

In "We Can Make Our Weather — and Bake in It, Too" *(Opinion, July 26)*, Anna Quindlen complains of the perceived effect of the so-called greenhouse effect on New York City weather. Speculating about a time without seasons 50 years from now, she writes, "In short, Southern California for all."

This is typical New York City ignorance of everything west of the Hudson River. I have lived in both Southern California and New York for long periods — long before the discovery of the hole (if any) in the ozone layer. In my memory, summers in New York offered nothing but insufferable heat and humidity, so that is not new.

Southern California summers, at least near the ocean, mean warm days and cool nights. But last winter there was a rather atypical freeze, a disaster for citrus farmers. How would the writer fit that into the global warming scenario?

WELDON HEBERT.
Montpellier, France.

Drills for the Cruise

After reading "Angry Cruise Survivors Say Crew Fled" *(Aug. 6)*, about the accident off the South African coast, I would suggest that passengers on Greek ships be given drills in how to launch the lifeboats, and the captain and crew be exercised in how to abandon ship.

R. M. HINCKLEY Jr.,
Captain, U.S. Navy (Retired).
Altea, Spain.

See the Light and Convert To Meadowlark Accounts

By James Eggert

MENOMONIE, Wisconsin — If I were a chief executive officer or the head of a government agency, I doubt whether I would hire a mainstream economist. This may seem an odd comment from someone who has spent his past 22 years teaching college economics classes.

Indeed, on countless occasions I have defended my discipline's importance to my students and others.

What is economics' special contribution? The stock in trade of economists includes recognizing scarcity, helping to make choices, identifying trade-offs and making sometimes hidden connections between the larger economy and one's own individual economic world.

MEANWHILE

So what is the problem? This: We economists lack an understanding of ecology and ecological values.

The words "economics" and "ecology" derive from the same root, "eco," literally "household." Thus the original definition of economics implied an understanding, a caring for and management of human households, whereas ecology implies an understanding and appreciation of the interrelationships within nature's "household."

I believe that these two households are becoming more interdependent, their futures more and more intimately linked. When we fail to calculate ecological values or to see the connections, it eases the way for unintended, unwanted losses. One example, on a small scale to be sure, is now occurring in our area, a dairy farming region of the upper Midwest. We are losing our meadowlarks!

The people who walk our rural roads enjoy the few meadowlarks that are left. Their song is pleasing, their color and swoop-of-flight enchanting. The complete disappearance of meadowlarks would be wrong ethically and also would diminish the quality of our lives.

Why are we losing meadowlarks? Most likely because of a modern haying method. Farmers now cut hay "green," with minimal drying, two to three weeks sooner in the spring than once was traditional, and blow it right into the silo. A decade ago, most farmers let hay grow two to three weeks longer before cutting it, to be dried, raked into windrows and baled. This gave field-nesting birds such as meadowlarks and bobolinks time to establish a brood and fledge their young.

The shift to haylage (the silage from green hay) improved farm "efficiency" — substituting machinery for labor, minimizing time and costly rain delays that plagued the old method. Agricultural economists and other experts blessed such changes. But who was valuing the meadowlarks?

Despite their sweet song, these birds have no voice economically or politically. They represent a zero within the conventional economic accounting system. (People don't even buy birdseed or build birdhouses for meadowlarks.) Their disappearance would not create even the tiniest ripple in Commerce Department spreadsheets that supposedly measure Americans' standard of living.

Of course, the demise of the meadowlark is not the only example. "Meadowlark values" are everywhere. They are found in estuaries and sand dunes, wetlands and woodlands.

Meadowlark values were underrepresented when President George Bush's economists advised him to open up the Arctic National Wildlife Refuge for oil and gas exploration. Meadowlark values were shortchanged when economists pointed out, quite correctly, that Exxon's oil spill actually increased America's gross national product, with billions in cleanup dollars fattening paychecks as well as state and national income.

Perhaps it is time we economists began to rethink our strict adherence to dollar and GNP values. We should not discard our valuable skills — of recognizing scarcity, making efficient choices and pointing out trade-offs. But it is time to broaden our approach, to incorporate ecological thinking and ecological values in market thinking and values. Call it, if you wish, meadowlark economics.

I am ashamed to admit that I attended my first ecology class only after teaching economics for more than two decades. I have a way to go. I am beginning to read and appreciate some of the latter-day economists who represent this new thinking: Ken Boulding, Hazel Henderson, Leopold Kohr, Herman Daly and Lester Brown, to name a few.

In addition, I hope that more and more prominent economists, the Friedmans, Boskins, Bradys and Greenspans of today and the future, will learn to value the integrity of the environment along with the "bottom line" — promote development, but also protect the standard of living of the other organisms with whom we share the planet.

Along with environmental impact statements, perhaps future economists could devise what might be called "grandchild impact statements," making sure our children and their children will have sustainable quantities of biological as well as other resources, and helping preserve soils and waters, fisheries and forests, whales and bluebirds — even the tiny toads and butterflies — so that these entities, too, will have their voices represented.

The writer teaches economics at the University of Wisconsin-Stout and is the author most recently of "Invitation to Economics." He contributed this comment to The Washington Post.

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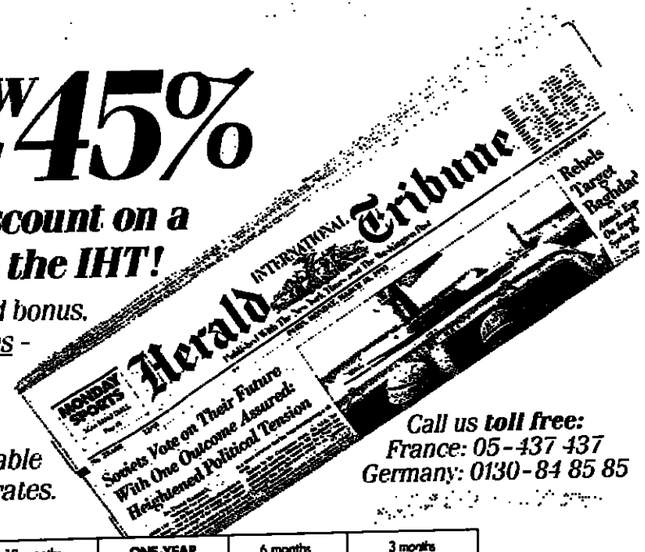

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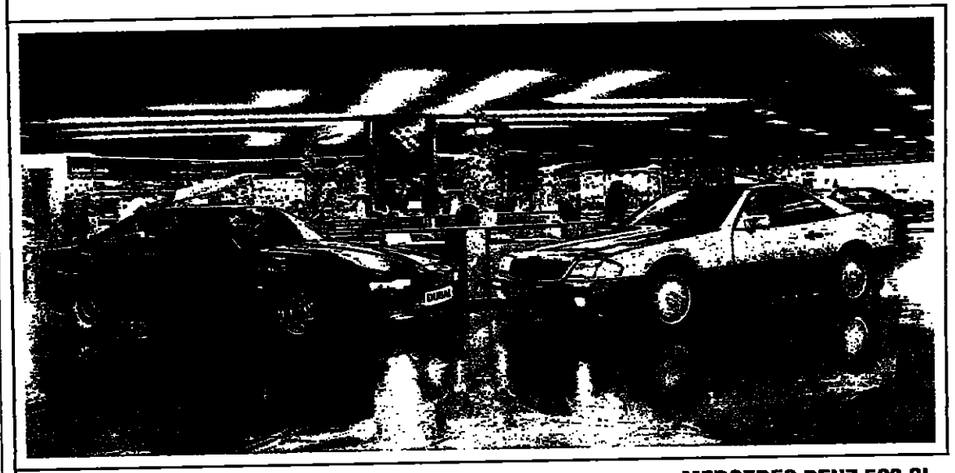

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Bush Is Cool on Arabs' Letter But Aide Sees Positive Points

Compiled by Our Staff From Dispatches

KENNEBUNKPORT, Maine — President George Bush appeared disappointed Monday with a letter from the captors of Western hostages in Lebanon, saying it contained broad demands that were difficult to understand.

But his spokesman suggested later that there were positive aspects in the letter as well.

"We are considering this very carefully," said the White House spokesman, Marlin Fitzwater. "This letter is a basis for discussion by many, many people around the world."

Speaking to reporters near his vacation home in Maine, the president scoffed at suggestions that the letter, from the Islamic Jihad for the Liberation of Palestine to Secretary-General Javier Pérez de Cuéllar of the United Nations, provided a framework for a deal. He said the way to end the crisis was simply to release all hostages.

"We're back in the rumor game, the broad demand game," Mr. Bush said just before teeing off for golf with his eldest son, George. "There has been a framework for a deal for a long time, and that is the release of all hostages."

Mr. Fitzwater seemed more upbeat. "Our preliminary analysis suggests there may be some positive aspects to this letter," he said.

For instance, he cited the letter's call for Mr. Pérez de Cuéllar to become personally involved in the hostage-release process.

"It is useful for the secretary-general to get involved," Mr. Fitzwater said.

The spokesman was more dismissive of a demand that, he said, "calls for the United Nations to apply Islam as the basis for solving society's problems."

He said U.S. diplomats and foreign-policy experts would read the letter closely. There is "a lot of room for interpretation," he said.

Asked if there was any guarantee that Islamic Jihad could deliver hostages even if its conditions were met, Mr. Fitzwater said: "I don't think anyone really knows this."

He reiterated longstanding U.S. policy on dealing with those who take hostages. "We're not negotiating," he said. "We're not making any deals. Period."

Mr. Bush said he had been briefed earlier in the morning about the letter from Islamic Jihad.

According to a translation made public by the United Nations, Islamic Jihad said it would be willing to free its hostages as part of a global exchange of captives.

"Release these people all around the world — nobody quite knows what that means," Mr. Bush said.

The president said he did not know if the United Nations was discussing a swap with Israel, which holds about 400 Arabs. Islamic Jihad has demanded their release as a condition.

Britain and the United Nations have pressed Israel to release the Arab prisoners. Mr. Bush, while not naming Israel specifically, said Sunday that all countries in the Mideast should release hostages.

He said Monday that he remained hopeful of more Western hostages being freed after the release on Sunday of Edward Austin Tracy, an American.

"One is hopeful, but really no one knows much," he said. "I've given you all I know."

He suddenly seemed irritated by the questions, snapping at a reporter who asked one while his son was teeing off: "Please don't talk when he's hitting." *(Reuters, AP)*

Donald Stampfli/The Associated Press

Foreign Minister Dumas of France, left, greeting Javier Pérez de Cuéllar in Geneva.

Iran Links Hostage Aid To 4 Abducted in 1982

Compiled by Our Staff From Dispatches

NICOSIA — Tehran revived on Monday the issue of four Iranians missing since being seized in Lebanon in 1982, demanding definite word on their fate if it helped mediate the release of 10 Western hostages in Lebanon.

Vice President Hassan Ebrahim Habibi said that Iran would continue to assert "what is being interpreted as influence" on the abductors of the Western captives.

Tehran says it has ideological influence but no organizational control over the Muslim Shiite abductors.

"Our expectation is that the world deal with this matter on an equal basis," Mr. Habibi said. "The issue of all hostages should be resolved whether they are Western, Iranian, Lebanese or Palestinian."

Mr. Habibi, whose remarks were carried by the Tehran radio and the official news agency, IRNA, said: "Our Foreign Ministry is working to clarify the fate of the Iranian hostages."

It was the first time in several months that Iran has linked its efforts on behalf of Western hostages to information on the four Iranians, who were seized by pro-Israeli Christian militiamen.

Lebanese officials have said the Iranians were killed while in captivity, but Tehran officials demand proof they are no longer alive.

On Sunday, President George Bush praised Iran and Syria for helping arrange the release of an American hostage, Edward Austin Tracy. Mr. Bush credited Iran with "having used its influence."

Two newspapers with close links to the radical camp in the Iranian leadership also resurrected the issue of the four Iranians, demanding that Mr. Bush and the United Nations resolve the mystery.

The Persian-language daily Abrar and the English-language Kayhan International noted Mr. Bush's statement thanking Iran and Syria. But the newspapers said words were not enough.

"Such expression of gratitude will not change anything if not followed by the release of Lebanese and Palestinian hostages and by the disclosure of information on the fate of the Iranians," Abrar said. *(AP, Reuters)*

Bakhtiar Killing: Iranian Suspects Travel as Turks

Reuters

PARIS — Two Iranians suspected of involvement in the assassination of Shahpur Bakhtiar, a former Iranian prime minister, are traveling under Turkish passports, the police said Monday.

Police investigating the murder of Mr. Bakhtiar last week in Paris said two of the last three men to have visited him were spotted on Wednesday, the day after the killing, in the French Alps. Ali Vakili Rad, 32, and Mohammed Azadi, 31, both Iranian-born, were seen near the town of Sallanches.

"These individuals, using Turkish passports, may have been trying to leave France to get to Switzerland or Italy," the police said in a statement.

The third man being hunted by the police, Sarqdoum Boyer Ahmadi, also an Iranian, has lived in France since 1984.

The three men visited Mr. Bakhtiar on Aug. 6. The 76-year-old former prime minister, who fled Iran after its revolution in 1979, was found dead two days later.

Baghdad Shows UN Team Its 'Supergun'

Compiled by Our Staff From Dispatches

BAGHDAD — Iraq has shown its "supergun" to a UN arms control team.

Its barrel is 52.2 meters (172 feet) long and 350 millimeters (14 inches) across.

Wolfgang Buttler, head of a United Nations team monitoring Iraqi compliance with Gulf war cease-fire terms, said Monday that his group saw the giant cannon in mountains north of Baghdad on Sunday and found it "assembled but not operational."

He added: "My personal opinion is that we will ask the Iraqis to destroy it."

A U.S. U-2 spy plane, meanwhile, has flown its first mission over Iraq at the request of the UN commission overseeing the elimination of Baghdad's weapons of mass destruction, a UN spokesman said Monday.

The UN asked for the plane to be put at its disposal to pick out sites for inspection and ensure that Iraq is not moving equipment without authorization. *(Reuters, AFP)*

HOSTAGE: *Pérez de Cuéllar Calls Release 'Nearer'*

(Continued from Page 1)

problem. There you have a juridical problem, which is not exactly the same thing as the other detainees."

Mr. Pérez de Cuéllar said that after having read the letter he was "a little more hopeful than before, because we have very concrete evidence that those who hold the hostages are interested in a solution."

In Jerusalem, Defense Minister Arens said that Israel would have to receive "signs of life" of seven of its soldiers missing in Lebanon as a first step before negotiating. Three of them have been missing since a 1982 tank battle against Syrian forces in eastern Lebanon, one since 1983 and three others since 1986.

The 10 Westerners missing in Lebanon and presumed held hostage include five Americans, two Britons, two Germans and an Italian.

The French foreign minister, Roland Dumas, met Monday with Mr. Pérez de Cuellar and said that UN negotiations to free hostages should not be complicated by being linked to a planned Middle East peace conference or other problems in the region.

Speaking afterward, Mr. Dumas said the secretary-general faced a complex task. Asked whether prospects for a peace conference could be endangered if the mission failed, he said:

"We cannot extract totally the political or military context in the region, but at the same time it is desirable that this question of hostages be treated independently of other subjects if we want to increase the chances of success."

He promised France's backing and said it was legitimate to hope that Western hostages would be freed as well as prisoners detained by Israel and Israeli prisoners held in the region.

Mr. Dumas said Mr. Pérez de Cuéllar had a mandate from the captors as the result of "several years of work" and also had the "moral authority" to carry out negotiations. *(AP, Reuters, WP)*

Kuwait Concedes Prisoners' Rights

Reuters

KUWAIT — Trying to improve an image tarnished by trials after the Gulf war, the country has outlawed the indefinite detention of political prisoners.

Under amendments to state security laws, published by the Kuwaiti news media on Monday, political prisoners can now be held without trial for a maximum of six months. Defendants, previously denied the right to appeal under martial law courts, will also enjoy better legal safeguards.

A special tribunal will scrutinize the work of the state security courts, which have replaced martial law courts for trials of political prisoners.

DUMPING: *One of the Stranger Trade Disputes*

(Continued from Page 1)

file a major dumping complaint, accusing Japanese companies of selling minivans in the United States at prices that are far too low.

Chrysler, it turns out, may have filed the complaint against itself. One of the vehicles the American makers want to stop is the Expo LRV, a sort of station wagon made by Mitsubishi Motors Corp. Mitsubishi makes the Expo for Chrysler, which plans to sell it under its own names: Eagle Summit and Colt Vista.

Now Chrysler and Mitsubishi are both scrambling to have the U.S. definition of minivan changed so the Expo is not a part of the dumping case.

Because a growing number of American autos are actually renamed versions of Japanese models, other car companies may find themselves in similarly awkward positions, as could companies that supply chemicals, drugs, laptop computers and video cameras from overseas.

Smith Corona's battles against Brother began 12 years ago. All of Brother's typewriters came from plants in Japan. Smith Corona dominated the market then — it still holds a share of more than 50 percent — and it built its machines in the United States and England.

In 1979, concerned that Brother and a host of other Japanese makers were dumping their typewriters to seize a larger share of the U.S. market, Smith Corona filed its first complaint.

One of the first actions defined typewriters as machines with no calculating functions. Brother added a calculator to its typewriter.

As Japanese competition drove down prices — the average retail price of a portable electric typewriter is now about $150 or less — Smith Corona moved production of all of its low-end machines to Singapore.

Smith Corona argues that its typewriters are essentially American-bred, if not American-born. The research and development was done in New York, and the tools were designed there.

JUSTICE: *Thomas's Nomination Puts Black Lawyers in a Quandary*

(Continued from Page 1)

racial insensitivity of other justices or, as several of them put it, simply by looking in the mirror. And they note one more element in their support: Anyone wanting a black to sit on the nation's highest court has no other choices.

"My daddy said, 'You don't tear down a bridge unless you have another bridge to cross,' " said Benjamin H. Logan 3d, a trial-court judge in Grand Rapids, Michigan. "Whether we like it or not, candidly we're kind of stuck with Clarence Thomas."

Dennis Archer of Detroit, a former justice of the Michigan Supreme Court, said he was supporting Judge Thomas reluctantly because no one else President George Bush would name would have experienced blatant discrimination and extolled Malcolm X.

But several black lawyers disputed the symbolic importance of having a black on the court if that black is conservative. They expressed fears that Judge Thomas was so malleable and estranged from his roots that he could be manipulated by rightist justices eager to make their own anti-civil-rights, anti-affirmative-action agendas more respectable.

"I think he can be used for nefarious purposes," said S. Allen Early 3d, a lawyer in Detroit.

Mr. Early, who graduated from Yale Law School in 1971, three years before Judge Thomas, chastised the younger lawyer for accepting the fruits of affirmative action only to denounce the principle afterward. "He's a hypocrite," Mr. Early said. "I don't think he's been honest with his life."

In some circles in the bar group, antipathies toward the candidate seemed to be hardening. Black lawyers used a variety of unflattering terms to describe Judge Thomas, including "a walking crisis in self-identity," "the president's good Willie Horton," and "a Strom Thurmond with black skin."

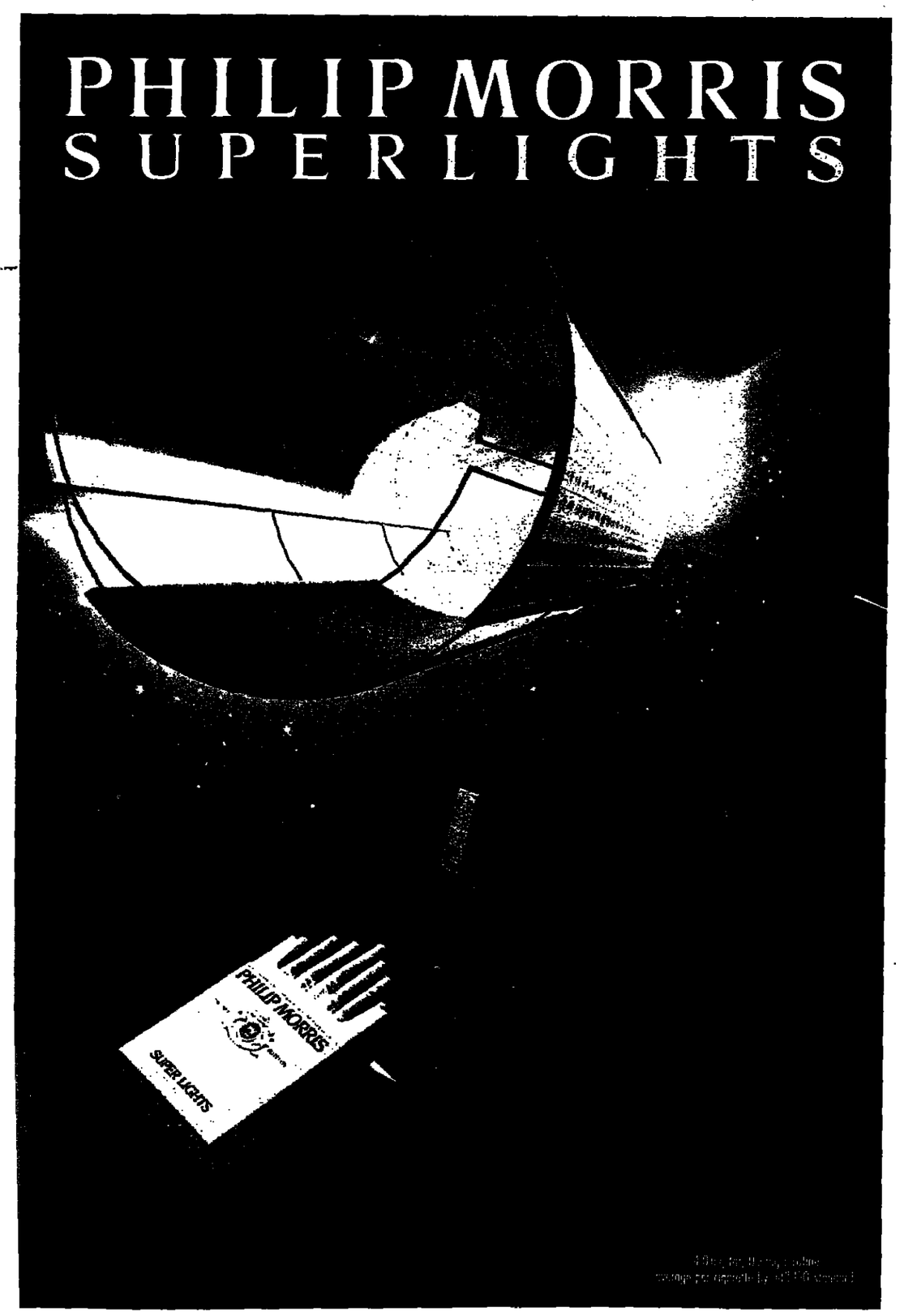
"At first people were confused, but when they understand what the record is, they're having less of a problem," said Haywood Burns, dean of the City of New York Law School at Queens College.

"There are some people who are hoping for a road-to-Damascus conversion, or who think that maybe some of the racist stuff he hears from the other justices will cause him to turn. But I think that's too much of a risk to take."

Just how fluid some attitudes are was apparent in a speech Saturday by Andrew Young, the former mayor of Atlanta. A week ago, he spoke in support of Judge Thomas. And at the start of his talk Saturday, he expressed hope that "maybe way down deep there's something of Pin Point, Georgia, that survived." He was referring to the judge's birthplace, in a poor hamlet outside Savannah.

But at the end of his remarks Mr. Young said that just as Mr. Bush's nomination of Judge Robert H. Bork had been defeated in 1987, "maybe we ought to turn back a Judge Thomas." And in an interview afterward, Mr. Young seemed still less equivocal.

"Martin Luther King said, 'It's a cruel jest to tell a man with no shoes to pull himself up by his bootstraps,' " he said. "It seems to me that's what Clarence Thomas is trying to do."



MAYOR: *Who's King of the Castle? Some East Germans Are Wondering*

(Continued from Page 1)

jobs it needs to make it in the new world — and the mayor sighs.

"A mayor shouldn't use the word 'con men,' " Mr. Gurke says. "But these princes — I don't want to hear another word from a royal anything. We have nothing here. Not one person in this town understands this whole business. All this talk of legal paragraphs and claims and counterclaims. No one knows what belongs to anyone. The people need security. How else can you live?"

Of all the problems that have come with blending Communist East Germany into the West, with millions of people unemployed, with resentments rising between two peoples who, while still apart, considered themselves one, probably the most infuriating frustration has been the question of property ownership.

Homeowners in the East still rush to the window and peek out from behind the curtains whenever they see a strange Western car cruising down the street; it might be Wessis (West Germans) coming to claim their houses, which perhaps once belonged to their mothers or aunts. Western investors still shy away from pumping money into the East because they are wary of building a plant on land that is subject to claims, whether they are from West Germans or Jews who had property taken from them by the Nazi or Communist governments.

German courts have tried to clear the way for new investment by promising ousted owners money instead of their original land. But much of the country's land remains in limbo, and since East Germany has hardly any courts in operation — the judges were all thrown out because of their Communist connections — nothing is being resolved overnight.

Royalty is forever, but princes these days don't seem so patient.

Frederick von Anhalt was the first, and he won't soon be forgotten in Ballenstedt. Last summer, someone calling himself Prince Frederick called Mr. Gurke and announced that he wanted to give $1 million in cash to the town.

"I'll talk to anybody," the mayor says. "I'm not afraid. I even told him $1 million's not enough."

Mr. Gurke had heard of Frederick, an American who was adopted as an adult by Princess Marie Auguste, daughter-in-law of the last German kaiser and member of the Anhalt family, the royals who owned a good part of this region until the Nazis and then the Communists got rid of the princes, counts and dukes that littered the landscape.

Marie Auguste was actually born in Ballenstedt Castle, and now this fellow calling from Hollywood, California, was prepared to donate a cool million in exchange for the right to use the castle as a vacation spot for Zsa Zsa and himself for four weeks a year. The rest of the time, the town would be free to use the renovated castle and grounds as a luxury hotel, casino, anything that would bring in hard Western cash.

"We were so dumb," the mayor says, "we invited them over for coffee."

On the day this spring when Prince Frederick and Zsa Zsa were to arrive, Mr. Gurke arranged for a brass band, the local firemen's choir and TV coverage. The celebrities were to climb down to the medieval cloister and lay a wreath at the tomb of Albrecht der Baer, ancestor of the Anhalts.

But when the door of the limousine — a stretch Pullman that formerly belonged to the East German Communist boss, Erich Honecker — opened, it was only Frederick who emerged. No Zsa Zsa. What can I say, the prince shrugged, she's moody, she changed her mind. When you're husband No. 8, you don't argue.

Frederick, who was Hans Robert Lichtenberg until his 1979 adoption, laid the wreath and told the mayor about how he's lined up $20 million to renovate the castle, how Zsa Zsa and their American connections can set up the whole deal.

Mr. Gurke was skeptical. He had already received a token of Frederic and Zsa Zsa's esteem, red and green jeweled earrings for the mayor's wife.

Not that Mr. Gurke didn't trust the prince, but he'd just wanted to be sure, and so, since there's no jeweler in Ballenstedt, he had driven more than an hour away to have the gift appraised.

Glass and aluminum. Trinkets.

"My wife doesn't wear earrings anyway," Mr. Gurke says. But his face burns with embarrassment as he opens the velveteen box from Fred Haymann's of Beverly Hills and shows the bogus jewels. Frederic's next gift was genuine enough, an autographed photo of the Reagans, personally wishing the Gurkes their very best. This the mayor keeps in his office.

For this gift, Frederick "can keep the coffee and cake he ate at our place," the mayor says. Otherwise, Mr. Gurke would just as soon never see the prince again. "He promised millions, he promised he'd make a TV show here, he promised he'd come with Zsa Zsa, he promised American investors," Mr. Gurke says. "He stole my time. He ate my cake. He gave us nothing. That dumb we aren't, even in the East."

Frederick is not happy. He did not return numerous calls, but his German lawyer has told Mr. Gurke that he plans to sue Ballenstedt and its mayor.

Prince Eduard von Anhalt warned Mr. Gurke not to have anything to do with Frederick.

"This Lichtenberg character calls himself a prince and rides a silly horse," Eduard says. "My God. He has no claim whatsoever. He was adopted by my father's eldest sister when she was 80 and he was 40. He comes out of nowhere."

Eduard says he deserves the castle not because he is a prince, but because it was taken unjustly from his family, just like so many homes in East Germany. "What is a prince?" he says. "Somebody who doesn't do anything or is an imbecile. I am a bourgeois who grew up in West Germany. I'm not my father, who was a born duke ruling out of a castle with billions. Of course, I do have this history."

As a true Anhalt, Eduard has claimed the castle and thousands of acres of the surrounding land that indeed did belong to his family until the Nazis threw his father in a concentration camp. He died of starvation in Soviet hands after the war.

"We want the land back because it belonged to us," Eduard says. "I don't want to live there. I want to build a hotel and give people jobs. The castle will never be a private home again. But we could have a golf course, tennis, an attractive development."

Eduard was born in the castle in 1941 and lived there until the Soviets who took over that part of Germany ordered the family to a labor camp in Siberia. A sympathetic Soviet officer slipped the Anhalts papers that let them escape to the British zone in the West.

Eduard went on to a career as a journalist and advertising man, but when the Berlin Wall fell two years ago, he claimed a huge swath of the old Anhalt holdings, including farms, forests, estates and the Ballenstedt castle.

"But I have no interest in taking anyone's house and I will happily give you a paper saying that," he says.

The only thing standing between Eduard and his homestead is Mayor Gurke, he says. "He is an old Communist who has no connection to Ballenstedt's history. He lives in a two-family house in a town where hundreds of families need a house. He drives a Lada, the Rolls-Royce of the East bloc. I want nothing to do with old Communists. If he was a realistic man, he could be handing out jobs by now. He wanted to give me my castle with eight families living in it. I can't have these people relying on me. It's a mess."

The mayor says he initially liked Eduard.

"He's a real prince, you know."

But then Eduard sent Mr. Gurke a letter accusing him of working for the old East German secret police and promising to take the mayor to the International Court of Justice.

"How blind we were to receive you in our house with good hearts in memory of your father who was killed at Buchenwald," the mayor's wife, Edith Gurke, wrote to Eduard a few months ago.

"My family bought my house fair and square," Mr. Gurke says. "I paid 19,800 marks for the Lada, and it barely goes."

Eduard has not given up.

"I will take this Gurke to court — as soon as there is one," he says.

Mr. Gurke has banished both princes from his home. He wants no more gifts. He has only his own dreams for the castle now.

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It's official: American Airlines has been named the official airline of the 1994 World Cup.

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Fantasy at Sea in Designer Interiors

New York Times Service

NEW YORK — A home is a necessity. A boat is not. A boat is an extravagant, complex water toy. And of course it must be decorated.

"A yacht tends to be a display of wealth, so people tend to spend more money on a boat than on a home," said Bill Langan, chief designer at the design firm of Sparkman & Stephens in New York.

Decorating at sea reflects decorating ashore in all its quest for status and fantasy, only with fewer

STYLE MAKERS

inhibitions. Indeed interior decorators and design companies are often called upon to decorate boats for clients whose homes they have done. These days the interiors of yachts may look like English manor houses; lacquered Manhattan penthouses, or cozy cottages. Some are waterborne art galleries. Others are minimalist statements.

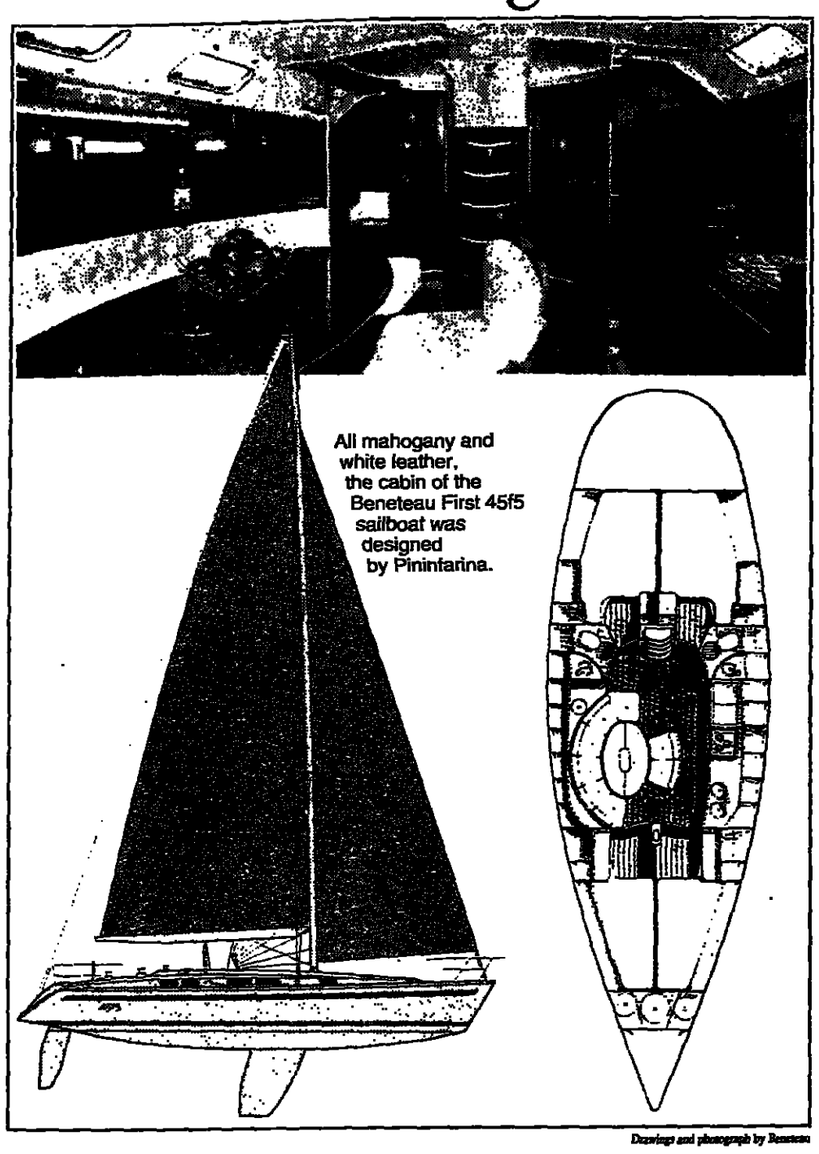
The sum of $224,000 will buy a First 45f5, a 45-foot sailboat by the French yacht builder Beneteau. The boat was designed by the naval architect Bruce Farr. The interior is by Pininfarina, the firm in Cambiano, Italy, known for its automobile designs for Ferrari, Alfa Romeo and Fiat.

The First 45f5, Pininfarina's first sailboat interior, was introduced at the Paris Boat Show in December 1989, and 200 have been sold worldwide, said Christian Iscovici, president of Beneteau U. S. A. in Charlotte, North Carolina.

The interior, a study in Italian minimalism, gleams. "They used traditional materials in a modern way," Iscovici said. The banquette, table, bulkheads, decks and cabinets are made of burnished mahogany; the upholstery is white leather; countertops are marble. The curve of the table and banquette echo the hull's curve. The table, like a ship's compass, is mounted on gimbals so that when the boat heels, the table remains level. Ornament is absent.

But not on the motor yacht Il Massimo, a golden Art Deco cocoon of burled woods, silks, paisleys and butter-soft leather.

"I didn't want red, white or blue, or nautical colors, because that's too corny," said Robert Metzger, who designed the interior of the Massimo, a 76-footer (23 meters) capable of speeds up to 55 knots (63 miles, or 101 kilometers, an hour). It is a Super Cobra 76 made by Tecnomarine in Viareggio, Italy.



All mahogany and white leather, the cabin of the Beneteau First 45f5 sailboat was designed by Pininfarina.

Drawings and photograph by Beneteau

Metzger had already designed two houses for the client, a New York businessman who wanted his boat to look like an apartment.

Metzger's design is a homage to Jacques-Emile Ruhlmann, the designer of the 1920s and '30s whose furniture had simple lines but was made of rare woods, ivory, shagreen and other costly materials. So is Il Massimo, whose decorating budget Metzger estimates to have been $75,000.

In the main stateroom, the walls — bulkheads — are squares of sueded buffalo hide. In the salon, the hexagonal tables are of elm burl, and the curtains a textured ribbed silk. The elm burl bulkheads are bordered in black lacquer.

Counters in the heads — bathrooms — are made of thin sheets of marble on aluminum honeycomb, a structural material that is used to keep weight low. Metzger said he wanted the salon to look like a Chanel suit.

The American owner of the Virginian, a 204-foot motor vessel, wanted a gentleman's yacht with a traditional decor. What he got was a floating 18th-century English manor house with paneled cherry bulkheads; pear wood dressing tables inlaid with ebony; gilt-framed oil paintings; solid marble bathtubs; fireplaces, and a galley that can feed 300. David Anthony Easton designed the interior after designing two houses for the client.

Easton said: "As a middle-class kid growing up in York, Pennsylvania, to me a boat was a canoe, a rowboat, a motorboat. This boat feels like an apartment. It is an extravaganza, and there's an extravagant attitude that goes with it."

Easton refused to say what the boat cost, but he said the decorating budget was 5 percent of the purchase price.

When he discovered that swing-arm wall lamps wiggle too much on a boat, he went to Paris, where he commissioned Enterprise Meilleur, a company that made yachting fixtures early in this century, to make new lamps from old models. For carpets he went to Woodward Grosvenor & Co. in London, where he found old documents with nautical motifs. The designs were turned into carpets by Vigo Carpet Gallery in London.

Completed in January, the Virginian took three years to build at the C. Van Lent & Zonen shipyard in Kaag, the Netherlands. Four months were devoted to designing the storage alone.

Each glass, from flute to snifter, has its own custom-fitted cubicle. The overheads, or ceilings, are a mere 7 feet 3 inches — "you have to keep a low profile for stability," Easton said — but the furniture includes antique Regency and William IV mahogany pieces, new pieces and custom-made sofas.

To keep the sofas in scale with the room, Easton made them only 30½ inches high, rather than the usual 32 inches. The dining saloon seats 32; coffee is brewed in a $10,000 Italian espresso machine. Ice cream and bread are made from scratch. Even the bathroom deck has allure: it is covered with a mosaic of an octopus.

CHARADE, a 153-foot motor vessel built by Feadship-DeVries in the Netherlands for an American owner and launched in November, was decorated by Dale Montgomery with Luis Rey of McMillen, the Manhattan design firm.

"A boat is such an unnecessary thing that you can do things you wouldn't want to live with every day," Montgomery said.

The designers used exotic materials: shagreen for a coffee table, lacquered goatskin on a bulkhead, silver leaf for the table in the dining saloon. A bulkhead leading to the owner's cabin is covered with one-inch pieces of bleached bone from Colombia; they look like ribs of stone or bamboo. The origin of the bone is unknown.

"It sounds awful," Montgomery said, "but it is very pretty."

There is no rule that says art must be earthbound. The American owner of the Other Woman, a 192-foot motor yacht being built in Brisbane, Australia, plans to display 42 pieces on the boat, including works by Dubuffet, Chagall and Matisse.

"It's a floating art gallery," said Paola Smith of Fort Lauderdale, Florida, who is designing the interiors. Each work will be individually lighted. The 60-foot-long saloon has a baby grand piano with a bar around it, and guests will dine at large jewels: slabs of lapis lazuli transformed into three tables.

Elaine Louie

The Chevignon Trading Post on Rue des Rosiers: An outpost of Americana.

Open Space, Open Doors

Megaboutiques Make Their Big Entrance in Paris

By Pat McColl

PARIS — Shopping here has reached new dimensions with the arrival on the fashion scene of the megaboutique: spaces that range from 800 square meters to 1,300 square meters (8,600 to 14,000 square feet), where the way the store looks is as important as what's in it.

What's in it can be anything from hand painted Taos furniture to a yellow Nash convertible to a pair of blue jeans at those outposts of Americana, Charles Chevignon's Trading Post on Rue des Rosiers and Au Vieux Continent on Rue Argout.

At Gianni Versace's new boutique and the newly redone Saint Laurent Rive Gauche, both on Rue du Faubourg Saint-Honoré, the emphasis in these wide-open spaces is on clothes although the attitudes are decidedly different; the Saint Laurent boutique is as understated as Versace's is overstated.

"That isn't a boutique. It's a temple," said the designer Christian Lacroix after his first look at Versace's 1,200-square-meter establishment. Pompeii-inspired frescoes, *faux marbre* columns or polished steel ones, pattegned mosaic tile floors and scenic wallpapers, hand painted by artists from La Scala in Milan, are just a few of the eye-arresting details created by the architects Rocco Magnoli and Lorenzo Carmellini as frameworks for the Versace clothes. Menswear is on the main floor, women's wear upstairs and children's clothes on the lower level. With that Versace attention to detail, the banister rail leading downstairs is scaled to child size.

The way the boutiques look is as important as what's in them.

Even the changing rooms reflect Versace's "fashion as theater" philosophy. The men's changing rooms, each one different, look like miniature Roman baths, and the women's changing rooms have a Paris Opéra or Winter Garden decor.

Since the boutique officially opened in July, customers have included the actors Tom Cruise and Claude Brasseur, the singers Elton John and Rod Stewart and the French pop star Patricia Kaas.

In spite of its opulent grandeur, there's nothing forbidding about the boutique. Light streams in from an overhead glass dome; the door, flanked by display windows, is always wide open, and the sales staff, mainly young men in black T-shirts and pants, seem just as happy selling a 335 franc ($58) bottle of toilet water or a 600 franc silk tie as they are one of those Versace suits priced for a movie star's budget.

More light streaming in and more open doors at Au Vieux Continent and The Trading Post.

At 1,300 square meters, spread over two levels, Au Vieux Continent is the biggest of the new megaboutiques. The skylight was uncovered when a freight elevator was removed during reconstruction work. Partners include the Ventilo brothers, Jacques and Armand, the owners of a women's wear boutique a few doors away; Jean-Luc Signolles, the owner of the Chipie chain of boutiques, and a third partner from Grenoble.

Armand Ventilo was responsible for the decoration and concept of the shop, which his brother describes as "a 15-year-old French boy's dream of America." For the passer-by, an obvious question occurs: "What is this place?" The open door frames a car or two, but Au Vieux Continent obviously isn't a garage. Inside, a Chris-Craft boat hangs suspended from the ceiling, and to its right are piles and piles of jeans: 1,500 pairs. Along with all the familiar brand names, there are antique jeans with antique blousons showcased in a glass-fronted showcase.

Elsewhere, there are country-and-western LPs, bikes and motorbikes, authentic French cowboy clothes from the Camargue and a restaurant selling, among other things, Mexican beer.

"Shopping should be fun," said Armand Ventilo. "There should be a sense of discovery; the unexpected."

The Chevignon Trading Post on Rue des Rosiers, in a former Turkish bath, is the third — and the largest at 800 square meters — to open in just over a year. One walks right from the street into what looks like a patio in a adobe ranch somewhere in the American southwest.

Chevignon's owner, Guy Azoulay, and his director, Christine Celle, conceded that they were inspired by Ralph Lauren's "lifestyle" boutiques. They opened a small Trading Post on Rue des Francs-Bourgeois to test French reaction to the idea and the merchandise and were pleasantly surprised when the French bought it all.

In the newest Trading Post, American quilts and blankets line the walls. Rough-textured pottery is set out on tables and a painted wooden bed is heaped with more quilts and Pendleton blankets.

Upstairs, corners angled around the double-curved staircase are filled with Chevignon's own label sweatshirts and denims, more authentic Americana in the Pendleton madras golfer's pants, genuine American football and baseball jackets, and, as at Au Vieux Continent, a restaurant. Here, more of an old-fashioned soda fountain with stools and with BLTs and banana cream pie on offer.

Saint Laurent's new Rive Gauche is the prototype for the more than 100 Rive Gauche worldwide boutiques. If, at Au Vieux Continent and The Trading Post, clothes seem almost an afterthought, at Rive Gauche, they are the raison d'être.

Saint Laurent opened his first Rive Gauche boutique in a tiny former boulangerie on Rue de Tournon in 1966. Now, Saint Laurent is a public company quoted on the Paris Bourse, and the Rue du Faubourg St. Honoré boutique reflects this serious standing.

The decor by Didier Gomez, the architect-designer, is discrete to the point where it is almost invisible. Heavy, double glass doors frame two entrances into a granite-floored foyer with Andy Warhol's portrait of Saint Laurent, reproduced for the boutique in ceramic tiles. Of the 1,000 square meters, 500 square meters are boutique; the rest, office space.

Throughout, Gomez has used curving lines. Whether for the hot pink and orange design snaking around the taupe carpet or the low ceiling overhangs, there's a feeling of movement to balance the banks of clothes.

Upstairs, there's a separate boutique for the Saint Laurent furs, where a classic Saint Laurent duffel coat lined in real fur can be had for just over $1,000.

Pat McColl is the co-author of Fodor's "Shopping in Europe."

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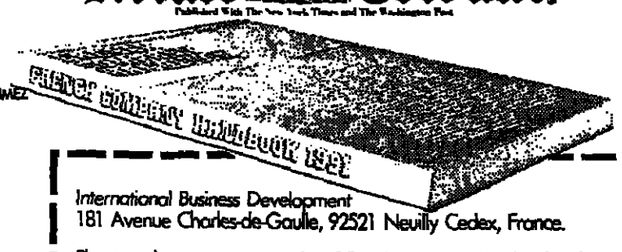
International Business Development
a division of
International Herald Tribune.



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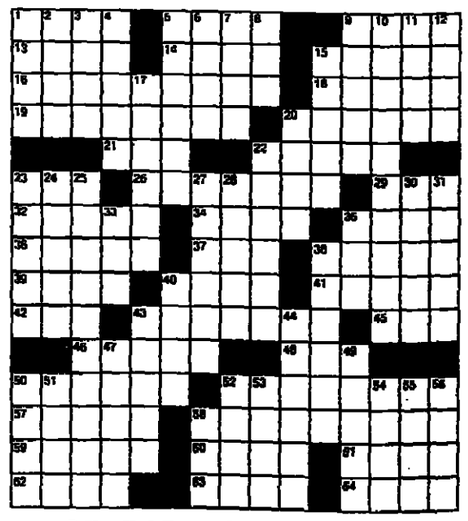
5 Moist
9 Fast fliers
13 O.E.D. segment
14 Buckeye State
15 ——-de-mer (sea cucumber)
16 Exactly
18 The clear sky
19 Bouquets
20 Hags
21 Nonsense
22 "In hoc —— vinces"
23 Author Wallace
26 Thousand —— (summer resorts)
29 Aries, Leo et al.: Abbr.
32 Etchers' needs
34 "I cannot tell ——"
35 Ivan or Nicholas
36 He painted "Haystack at Giverny"
37 Kennel sound
38 Discoverer of Orion's fifth star
39 German river
40 —— de vivre
41 Christmastides
42 Juan Carlos I is one
43 Ranchers' event
45 Suburb of Liège
46 "Halt, you tars!"
48 —— Trang, Vietnamese port
50 Akin
52 Downward plunge
57 Actor Jeremy
58 Strait-laced ones
59 Type of night club
60 Female bear, in Bologna
61 Image on a radar screen
62 Widgeon
63 Prime for a crime
64 Start of a counting-out refrain

DOWN

1 Main St. light
2 Late satirical cartoonist
3 Makes lace
4 Alternate
5 Kin of Mr. Chips's portrayer
6 "Ship ——!"
7 Lass
8 He wrote "The Raven"
9 Mother ——, U.S. saint
10 Durante nickname
11 Quaker pronoun
12 Sun. orations
15 Arctic scenery
17 Believer in selfhood
20 Slayer: Comb. form
22 Shot from ambush
23 Debussy work
24 Paris school
25 Beat, but barely
27 Plan
28 Actor Delon
30 "The Old —— Bucket"
31 Woman's garment
33 Actor Billy —— Williams
35 Neck, in Nice
38 Kin of a dash
40 Tenor Carreras
43 Hoffman role in "Midnight Cowboy"
44 Oust a senator
47 Detective Philo
48 Baked-clay structure
50 Assists
51 Harsh
52 Org. for workers' rights
53 A river at York
54 Offshore sight
55 Blood vessel
56 Notice
58 Feathery stole

Solution to Previous Puzzle

T	H	A	W		S	H	A	M		S	M	O	G
O	A	R	E	D		C	O	R	A		P	A	P	A
P	U	T	T	I	N	O	N	T	H	E	R	I	T	Z
E	L	I		N	O	T	E	S		M	A	N	S	E
	S	E	V	E	N	T	Y		F	I	T			
			E	T	O		S	E	A	R		O	T	T
A	S	S	E	T		T	U	R	K		S	L	U	E
J	E	E	P	E	R	S	C	R	E	E	P	E	R	S
A	R	C	S		Y	A	K	S		G	O	O	F	S
M	E	T		C	A	R	L		S	O	U			
			F	A	N		E	N	T	I	T	L	E	
E	A	G	L	E		A	R	E	A	S		A	R	M
F	L	Y	I	N	G	D	O	W	N	T	O	R	I	O
T	I	M	E		N	O	S	E		S	A	G	E	S
S	A	S	S		U	S	E	R			T	O	S	S



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Welcome to Asiana

Herald Tribune.
BUSINESS/FINANCE
TUESDAY, AUGUST 13, 1991

FLY ASIANA TO SEOUL
TAIPEI HONG KONG BANGKOK SINGAPORE TOKYO

INTERNATIONAL STOCKS

A Setback in Stockholm On Earnings and Election

By Jonathan Fuerbringer
New York Times Service

SWEDEN is stumbling. After a surprisingly robust performance this year, the stock market has gotten a case of the jitters, a combination of a pessimistic economic outlook and the uncertainty of coming elections. Since Aug. 1, the Affarsvarlden index has declined almost 2.5 percent, closing Monday at 1,085.70. It has fallen from a 1991 high of 1,149.80, reached on July 11.

James Capel Inc. in London is telling its clients to take profits now and wait until the fourth quarter to decide whether to return to Stockholm. UBS/Phillips & Drew of London is cutting its forecast for the Affarsvarlden index to 1,050 by year's end, down from 1,100.

Because many of the country's blue-chip companies, like Astra and Ericsson, depend mostly on sales abroad, the outlook for the economies of Europe and the United States are just as critical to investors than that for Sweden. And there, the news is not rosy.

Sweden's big exporters also suffer from slowdowns in foreign economies.

The vigor of the recovery in America is questionable. In Britain, the recession is dragging on. And in Germany, the economy is slowing and interest rates could rise another notch.

The change in sentiment toward the Swedish market is also a result of a worry over the latest round of six-month earnings reports. SKF, the ball-bearing manufacturer, last week announced a 95 percent drop in pretax profit.

The company said it expected earnings to improve in the second half of the year, giving the stock market a little lift at the end of the week. But the recession in Sweden is expected to continue through this year with forecasts showing a weak recovery, at best, next year.

Although earnings are forecast to increase 20 percent to 25 percent in 1992, part of the rebound is a result of one-time restructuring charges many companies took the previous year to cut costs, said Roddy Bridge of UBS.

THE SEPTEMBER ELECTION, in which the government of Social Democrats, led by Prime Minister Ingvar Carlsson, is fighting for its political life, is also adding uncertainty. The possibility of a coalition government of several conservative and nonsocialist parties could add impetus to the move to tilt what was once a major Western welfare state toward the open market.

But the coalition, analysts argue, could be fragile on other issues like nuclear power and membership in the European Community. And in recent polls, the Social Democrats, although still trailing, have gained some ground.

Much of the impetus for the market rally came from signs of a change in the Social Democrats' attitude and its economic management. Less inclined toward invention, the government is now more likely to use inflation than the unemployment rate as the key guide to policy.

The government's decision to apply for membership in the European Community also encouraged many foreign investors to buy stocks before the country's stock market was forced by EC rules to open its door fully to foreigners.

According to James Capel, foreigners were net purchasers of 3.7 billion kronor ($592 million) of stock by the end of May, compared with 1.2 billion kronor for all of last year.

The decision to tie the krona to the European Currency Unit gave the krona a new stability. It opened the way for cuts in interest rates at home and raised confidence that the government would not use krona devaluations to make Swedish exports cheaper.

In addition, two major deals involving the Wallenberg family — the friendly $2.8 billion takeover of Alfa-Laval by Switzerland's Tetra Pak and the purchase by the Wallenbergs of the remaining shares in Saab-Scania that they did not own — poured billions of kronor into the market, helping to spur domestic buying.

Warrant Issued for Head of Polish Firm

Compiled by Our Staff From Dispatches

WARSAW — A former musician who turned a $100 investment into a half-billion-dollar company was sought Monday on charges of bribing a high-ranking state official in a Polish bank scandal.

An arrest warrant was issued for Boguslaw Bagsik, the president of the holding company Art-B, who left Poland for Israel in July, the PAP news agency said, quoting the Warsaw prosecutor's office.

In Israel, Interior Minister Aryeh Deri on Monday ordered an investigation into whether Mr. Bagsik's Israeli citizenship was granted properly, a ministry spokeswoman, Tova Elinson, said.

Mr. Bagsik, 28, who also holds Polish and German passports, received Israeli citizenship as a new immigrant about six months ago, Israeli press reports say.

A Polish Foreign Ministry official said Poland had no extradition agreement with Israel.

The Polish banking probe has disclosed "great damage" to the state treasury from illegal banking operations involving Art-B and other private companies, the Warsaw prosecutor said.

Officials did not specify the amount of the fraud, but press reports estimate losses could range from $130 million to $300 million.

The head of the National Bank of Poland, the country's central bank, already has been suspended for providing inadequate supervision. The arrests of seven people, mostly top banking officials, were announced last week.

The charges against Mr. Bagsik involve "handing over to a high-ranking banking official material benefits ... worth about 60 million zlotys ($5,200) in return for actions violating the law," the prosecutor said.

"Our conscience is clear," Mr. Bagsik and his partner told the Israeli daily Maariv. In the interview published Monday, before the warrant was issued, the men said they had no plans to return to Poland.

The chairman of the central bank, Grzegorz Wojtowicz, was suspended from his duties Friday and President Lech Walesa has asked parliament to dismiss him. The bank's deputy chairman, Wojciech Prokop, reportedly among those arrested, was fired by the government.

Art-B is alleged to have exploited loopholes in Poland's banking system to transfer sums between a series of accounts, earning interest in several places at once.

Separately, the Israeli government has stepped in to freeze a deal to sell 50 percent of the country's biggest oil firm to Art-B, the Finance Ministry said on Monday.

Art-B had agreed to buy half of Paz Oil Co. from the Australian businessman Jack Lieberman for $85 million.

(AP, Reuters)

French TV: A Government Soap Opera

By Jacques Neher
New York Times Service

PARIS — The French government had a dream in the 1980s. New channels, private enterprise and technology would stimulate diversity in television. This dream has turned into something of a nightmare in the 1990s.

Although French viewers now have a much wider choice of programs, the industry is in severe financial straits. Four of the five no-fee broadcast channels are in the red, together losing about $285 million last year. Several television production companies say they may be forced out of business.

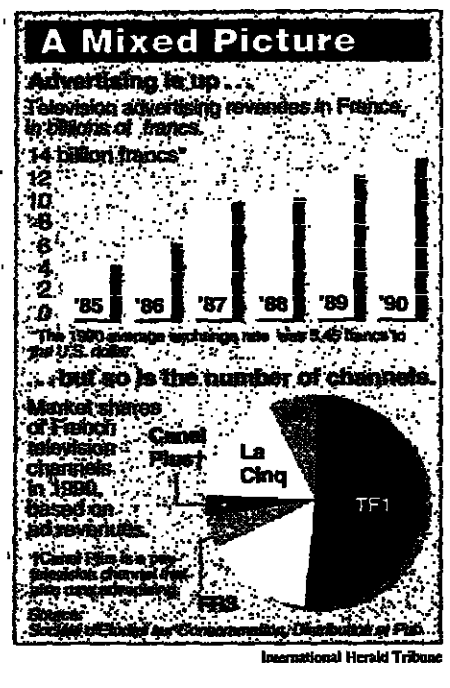
Moreover, cable and satellite television has hardly made a dent in France's 20 million television households. Indeed, the only successful new television service of the 1980s has been Canal Plus, a pay broadcast channel.

Many television executives and analysts blame the government. They say the biggest problem may be that the French government has tended to view television not as a business, but as a cultural asset.

Unlike in the United States, television in France is heavily regulated in terms of advertising and content. Many types of commercials are banned, while strict limits are placed on when the others may be broadcast.

The government is demanding more original French-language programs, even though they are expensive to make and may find relatively few buyers in overseas markets.

"The future of the industry depends entirely on the government," said Carla Bakker, a European media analyst with Morgan Stanley & Co. in London.



International Herald Tribune

Industry executives say the government went too far, too fast in expanding the number of channels without regard for advertising.

"There are now five national channels for a market that formerly supported only three," said Patrick Le Lay, president of TF1, the only profitable no-fee channel. "The advertising market is simply too small."

In the early 1980s, the only national channels were TF1, Antenne 2 and FR3, and they were state-owned. In 1986, the government licensed two new private channels, La Cinq and M6. In 1987, the government sold control of TF1 to Bouygues SA, the construction giant.

In addition, a few years earlier the government gave approval for Canal Plus to create a pay channel. It also carries advertising.

While television spending on advertising tripled from 1985 to 1990, reaching 13.9 billion francs ($2.4 billion), the growth did not keep up with the increase in production costs.

As a result, La Cinq, which is now owned by the French media giant Hachette SA, lost about $100 million in 1990, and M6, owned by Metropole Television, lost nearly $30 million.

The two state-owned broadcasters, which are supported by advertising as well as a television tax, together lost about $155 million.

Against these losses, TF1, which dominates the market with about 43 percent of the audience and more than half of the advertising revenue, reported net profit in 1990 had grown 38 percent, to about $55 million.

And Canal Plus earned about $167 million. Its mix of movies and sports has attracted about 3 million subscribers, who use decoders to unscramble its broadcast signals.

If the government went too far in creating new channels, it is also widely criticized for not going far enough in deregulation.

"The government has taken on a culture-police mentality, inventing policies that are not

See TV, Page 11

Delta to Acquire Most of Pan Am For $1.4 Billion

Compiled by Our Staff From Dispatches

NEW YORK — Delta Air Lines won the bidding for Pan American World Airways on Monday with an offer of about $1.39 billion in a deal that will leave Pan Am in business, primarily flying between the United States and Latin America.

Judge Cornelius Blackshear of the U.S. Bankruptcy Court in New York approved the plan Monday afternoon. Pan Am has been operating under court protection from its creditors since January.

After bargaining through Sunday night, Pan Am's creditors agreed at 12:04 A.M. Monday to a sweetened offer that provided about $100 million more than Delta had bid on Friday. Delta's three rival suitors, American Airlines, Trans World Airlines and United Airlines, had joined together late Sunday to try to wrest Pan Am away, but they were outbid.

"We got a deal," an exuberant and tired Leon Marcus, the attorney for the creditors' committee, said moments before signing the agreement. "We got a good deal."

Atlanta-based Delta agreed to pay $416 million for Pan Am's routes between the United States and Europe, its Northeast shuttle, planes and equipment. Delta also is to make a $305 million investment in a reorganized Pan Am, which would move its headquarters from New York to Miami and be owned 45 percent by Delta and 55 percent by Pan Am's current creditors. Delta also is to assume about $669 million in Pan Am liabilities.

A Delta spokesman said the figures were subject to change. The transaction, however, will provide Pan Am creditors with $621 million, compared with $550 million of cash in the competing offer.

The deal would make Delta one of the biggest international airlines. Delta serves about 148 U.S. cities in 45 states and has 26 overseas destinations. Its overseas routes include Canada, Mexico, the Bahamas, Bermuda and several countries in Western Europe and Southeast Asia. But the Pan Am purchase will give it a much larger overseas presence, especially in Europe. Pan Am still serves about 100 foreign cities.

TWA and American Airlines had teamed up in an effort to snatch Pan Am away from Delta. Delta's ambitions were in the greatest danger of being disappointed Sunday when United Airlines scrapped its own bid and joined forces with TWA and American.

Bankers and lawyers who were at the meeting said United would have forsaken its desire to acquire all of Pan Am's Latin American routes and would have satisfied itself with about 20 landing slots at Kennedy International Airport in New York and three of Pan Am's four flights to Mexico City.

American would have walked off with the shuttle, and TWA would have taken what was left, primarily some of the Latin American routes and a lot of spare parts.

The creditors committee immediately disclosed the three-way bid to Delta, which came back about five hours later with a far-richer offer that many bankers and lawyers said was designed to be "preemptive" and end the bidding.

Northwest Airlines, based in Eagan, Minnesota, continued to object to the deal, saying it wanted to buy Pan Am's Detroit-London route for $20 million and warning that creditors could end up losing money if U.S. transportation officials refuse to transfer the route to Delta.

Northwest believed it stood a better chance before Department of Transportation officials because it handles more than three-fourths of the departures out of Detroit, where Delta does not have a hub.

The Justice Department approved the asset purchase by Delta on Friday, Delta said.

With so many competing offers to choose from, the creditors were not shy about playing one suitor off of another to raise the bidding.

For instance, after TWA chairman Carl C. Icahn agreed to absorb Pan Am's operating losses above $140 million between now and the time he would close a deal, Delta reluctantly agreed to do the same.

While creditors had found Delta's earlier proposals attractive in terms of a future stake in a reorganized Pan Am, they had worried that the airline might run out of cash before it would even get to close the deal. The guarantee provided some reassurance, and Delta is to advance $80 million of the asset purchase price to Pan Am.

Lawyers for Pan Am said the agreement will enable Pan Am to meet its administrative and priority claims and provide value to its unsecured creditors.

The new Pan Am would operate 54 aircraft. In the United States, it would serve the Miami-Los Angeles route and routes from Miami to the three New York City airports. "Beyond that," said Thomas G. Plaskett, Pan Am's chairman, speaking of U.S. services, "we haven't determined which services Pan Am will perform, and which services Delta will perform."

As part of the deal, 13,500 Pan Am jobs would be preserved. That would be 3,500 fewer than the current payroll of 17,000. Pan Am recently eliminated 5,000 jobs.

Under the deal, Delta has the right to use the Pan Am name for a year in Europe for marketing purposes, Mr. Plaskett said.

Pan Am sold its London routes to United Airlines earlier this year.

(AP, NYT, Reuters)

U.K. Sees Stock Sale Via Shops

The Associated Press

LONDON — The government announced Monday it plans to sell part of its remaining 48 percent stake in British Telecommunications PLC in November through eight special "share shops" designed to promote wider stock ownership.

The eight share shops, at major banks, building societies and a share-dealing group, will be used to sell the British Telecom shares to the public, the government said.

If the system proves popular, the government said it hopes to promote a nationwide retail system for over-the-counter dealing in other shares as well.

The government sold 52 percent of British Telecom for £3.9 billion ($6.6 billion) in 1984 and has been free to sell the remaining stake since 1988, according to the original terms of the privatization.

Privatization of national industries to promote wider share ownership has been a hallmark of the Conservative government since 1979. The government has sold British Airways PLC, British Aerospace PLC and the electricity and water utilities.

Sun Never Set on BCCI's Global Misdeeds

By Steve Lohr
New York Times Service

LONDON — During his decade as an internal auditor here for the Bank of Credit & Commerce International, Vivian Ambrose knew the bank's unwritten rules.

Some loan documents, for example, were off limits to bank inspectors. They were handled confidentially by the inner circle of two dozen executives who kept the bank's secrets.

"It was common knowledge within the bank that there were fraudulent loans," the 51-year-old Sri Lankan immigrant said.

Now, thanks to recent documents, data from a New York indictment against the bank and testimony by a former top BCCI executive before Congress, the extent of that fraud can be perceived.

Recent disclosures portray an institution that took money from more than a million depositors around the world and became a personal piggy bank for its Arab and Pakistani owners and favored customers. Depositors, virtually all of whom are outside the United States, stand to lose heavily.

Front men often stood in to mask the identity of the real borrowers or purchasers. The Federal Reserve Board believes that this enabled BCCI to buy control of First American Bankshares Inc., Washington's leading bank.

As losses mounted, BCCI apparently hatched a scheme to cover them by making interest payments on loans with deposits from other customers. Funds parked in lightly regulated countries could be drawn down to patch up losses elsewhere.

When capital was needed, the bank artificially pumped up its share price by lending money to existing shareholders to buy stock.

The documents, charges and testimony raise questions about how the bank got away with it for so long.

BCCI made officials uneasy — a stateless bank that operated in the United States and 70 other countries, chartered in Luxembourg, run by Pakistanis, owned by Arabs, headquartered in Britain and serviced by outposts in the Cayman Islands. Police nicknamed BCCI the "Bank of Crooks and Criminals" for catering to customers dealing in arms, drugs and hot money.

"The BCCI case shows that banks are far more vulnerable to criminal activity than the regulators thought possible," said Representative Jim Leach, Republican of Iowa, a member of the House Banking Committee.

Not until June, however, did anyone finally possess solid evidence. A confidential report last June to the Bank of England prompted the global seizure in July.

Once its loan losses spiraled, BCCI could have admitted the problem, husbanded its capital and struggled to survive. Instead, it hid the losses and rolled the dice.

In the United States, the bank curried favor with prominent people through charitable donations or consulting fees to lend BCCI an aura of influence and respectability. The United States got off lucky. There were few depositors, and BCCI's biggest asset was First American Bankshares Inc., which is still solvent.

There is some question, though, whether BCCI deceived U.S. savings regulators in 1988 and bought time for Centrust Savings in Miami to work itself out of its troubles. A year later, the regulators seized the bank, but not until the cost of bailing out the institution had risen considerably.

Among the countless figures contained in the piles of documents on BCCI, one of the more instructive is the mention of $2.5 million on page 12 of the confidential auditors' report to the Bank of England in June.

That was the modest grubstake of capital invested by the initial shareholders in 1972, when BCCI was founded.

"From the outset, BCCI never had much capital," observed Robert M. Morgenthau, the Manhattan district attorney.

The path to rapid growth lay through big customers. The founder, Aga Hassan Abedi, a Pakistani, lined up the Gulf Group, a shipping and trading conglomerate, in 1972.

By 1977, loans to the Gulf Group had grown to the point that BCCI transferred the accounts from London to its Cayman Islands subsidiary, BCCI Overseas, to sidestep Bank of England restrictions.

By 1978, the Gulf Group was in financial trouble. To hide its losses, BCCI funneled money — often unrecorded deposits — from elsewhere in the bank into the Gulf Group accounts to make it appear that repayments were up to date.

Having BCCI executives minister to Gulf Group accounts on December nights was an annual ritual. Loan doctoring became a "full-time occupation," according to Price Waterhouse, and the team set up to handle it was dubbed the bank's "special duties" department.

The deception involved some 750 accounts over a 15-year period, and loans to the Gulf Group totaled more than $700 million.

See BCCI, Page 10

CURRENCY RATES

Cross Rates

Aug. 12

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.952	3.302	1.1275	0.3315	0.1504 *	—	5.4675 *	1.2885	1.4375 *	1.702	1.7180 *
Brussels	35.6425	60.31	20.6075	6.06	2.751 *	18.277	—	23.5325	0.2687	31.00	32.90 *
Frankfurt	1.7262	2.927	—	0.294	0.1335 *	0.887	4.854 *	1.1421	1.2655 *	1.5044	1.596 *
London (a)	1.6955	—	2.9265	9.9737	2,190.50	3.3003	60.27	2.5609	231.57	1.9440	180.22
Madrid	105.257	182.496	62.585	18.426	8.367 *	55.591	3.042	71.599	78.296 *	94.399	—
Milan	1,293.35	2,193.60	749.36	220.28	—	664.50	36.302	855.55	9.483	1,128.50	11.957
New York (b)	—	1.6975 a	1.7246	5.8673	1,293.50	1.945	35.575	1.5087	136.50	1.1443	108.10
Paris	5.873	9.959	3.4016	—	0.4541 *	3.0172	0.1651	3.885	4.3045 *	5.1225	5.426 *
Tokyo	136.30	231.10	78.96	23.22	0.1054	70.04	3.803	90.09	—	118.85	1.2686
Toronto	1.1465	1.9472	0.6649	0.1954	0.087 *	0.5887	3.211 *	0.7597	0.84 *	—	1.061 *
Zurich	1.5165	2.5686	0.8743	0.2573	0.117 *	0.7773	4.2524 *	—	1.1094 *	1.3284	1.3978 *
1 ECU	1.187	0.7000	2.0489	6.9729	1,535.76	2.3112	42.2413	1.7947	162.065	1.3612	128.498
1 SDR	1.3416	0.7908	2.3161	7.8795	1,736.20	2.6123	47.7332	2.0272	182.866	1.5414	145.242

Closings in Amsterdam, London and Zurich, fixings in other centers; New York closing rates and Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	9702.0	Greek drac.	190.75	Mex. peso	3038.01	S. Afr. rand	2.8585
Austral. $	1.2755	Hong Kong $	7.77	N. Zealand $	1.7504	Soviet ruble*	0.5959
Austr. schil.	12.08	Indian rupee	25.907	Norw. krone	6.754	Swed. krona	6.278
Brazil cruz.	363.40	Indo. rupiah	1955.03	Phil. peso	27.34	Taiwan $	26.75
Chinese yuan*	5.3484	Irish £	0.6465	Port. escudo	148.60	Thai baht	25.60
Danish krone	6.6875	Israeli shek.	2.331	Saudi riyal	3.75	Turkish lira	4422.04
Egypt. pound	3.3377	Kuwaiti dinar	0.2902	Sing. $	1.7215	UAE dirham	3.672
Fin. markka	4.198	Malay. ring.	2.776	S. Kor. won	732.80	Venez. boliv.	59.25

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6870	1.6804	1.6734	Canadian dollar	1.1502	1.1531	1.1558
Deutsche mark	1.7320	1.7373	1.7425	Japanese yen	136.80	137.07	137.23
Swiss franc	1.5146	1.5171	1.5202				

Sources: NMB Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

INTEREST RATES

Eurocurrency Deposits

Aug. 12

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	5⅝-5¾	9⅝-9¾	7⅝-7⅞	10⅞-11 1/16	9 7/16-9½	7 5/16-7 7/16	9⅝-9¾	7⅛
2 months	5⅝-5¾	9 11/16-9⅞	7⅝-7⅞	10⅞-11 1/16	9⅜-9 9/16	7 5/16-7 7/16	9⅝-9¾	7 3/16
3 months	5⅝-5¾	9 11/16-9 13/16	7 11/16-7 13/16	10 15/16-11	9½-9⅝	7 5/16-7 7/16	9 11/16-9 13/16	7 3/16
6 months	5 11/16-5 13/16	9½-9⅝	7⅞-8	10⅝-10¾	9 7/16-9⅝	7 1/16-7 3/16	9 15/16-10 1/16	7⅜
1 year	6 1/16-6 3/16	9½-9⅝	7¾-7⅞	10 7/16-10⅝	9⅜-9 9/16	6⅞-7	10-10⅛	7½

Sources: All Reuters except ECU: Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

Aug. 12

	Close	Prev.
United States		
Discount rate	5½	5½
Prime rate	8½	8½
Federal funds	5 9/16	5 9/16
Com paper 90-179 days	5.40	5.40
3-month Treasury bills	5.29	5.31
6-month Treasury bills	5.36	5.37
1-year Treasury bills	5.44	5.45
30-year Treasury bond	8.21	8.22
3-month CD's	5.27	5.27
6-month CD's	5.30	5.30
Japan		
Discount rate	5½	5½
Call money	7 7/16	7 15/32
1-month interbank	7⅜	7 11/32
3-month interbank	7 9/32	7 9/32
Germany		
Discount rate	6½	6½
Lombard rate	9.00	9.00
Call money	9.05	9.00
1-month interbank	9.05	9.05
3-month interbank	9.30	9.30
6-month interbank	9½	9½
Britain		
Bank base rate	11.00	11.00
Call money	11⅛	11⅛
3-month interbank	11.00	10 13/16
6-month interbank	10 13/16	10 13/16
France		
Intervention rate	9.00	9.00
Call money	9 1/16	9⅛
1-month interbank	9⅛	9⅛
3-month interbank	9 9/16	9 9/16
6-month interbank	9⅝	9⅝

Sources: Reuters, Salomon Brothers, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

Asian Dollar Deposits

Aug. 12

1 month	5⅝ - 5¾
2 months	5⅝ - 5¾
3 months	5⅝ - 5¾
6 months	5 11/16 - 5 13/16
1 year	6⅛ - 6¼

Source: Reuters.

U.S. Money Market Funds

Aug. 12

Merrill Lynch Ready Assets
30-day average yield: 5.45
Telerate Interest Rate Index: 5.608
Source: Merrill Lynch, Telerate.

GOLD

Aug. 12

	A.M.	P.M.	Ch'ge
Hong Kong	357.65	358.25	+ 0.60
Luxembourg	358.20	—	+ 0.65
Paris (12.5 kilo)	359.41	357.59	+ 1.16
Zurich	357.95	358.45	+ 0.40
London	357.75	358.20	Unch.
New York	—	357.95	− 0.90

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.
Source: Reuters.

REQUEST FOR COMMENT

The Triborough Bridge and Tunnel Authority, Port Authority of New York and New Jersey, New Jersey Turnpike Authority, New York State Thruway Authority, New Jersey Highway Authority, New York State Bridge Authority and the Pennsylvania Turnpike Commission (hereinafter referred to as "the Agencies") are seeking comment from the marketplace to a draft Technical Specification for electronic toll collection equipment. The intent of the draft Technical Specification is to define the common needs and requirements of each of the aforementioned Agencies as they relate to compatible toll tags, readers, and their interfaces with existing and future toll collection equipment.

The deadline for submission of written technical comments to the draft Technical Specification has been extended from August 23, 1991, 5 p.m. to September 9, 1991, 5 p.m. Submittal of pricing information and/or contract terms and conditions is not desired nor will they be considered at this time by the ETTM Interagency Policy Committee.

All written responses are to be submitted to the address set forth below:

Carlos R. Nicot
ETTM Procurement Coordinator
Triborough Bridge and Tunnel Authority
Robert Moses Building - Rm. 104
Randall's Island
New York, New York 10035

Written responses submitted after the specified deadline will not be considered.

The Agencies reserve the right to reject and/or accept any and/or all comments submitted in response to this initial Request For Comment. No respondent shall have any rights against the Agencies arising from the incorporation and/or rejection of any comments.

The Agencies shall not be held liable for any pre-contract activity and/or costs incurred by respondents to this Request For Comment.

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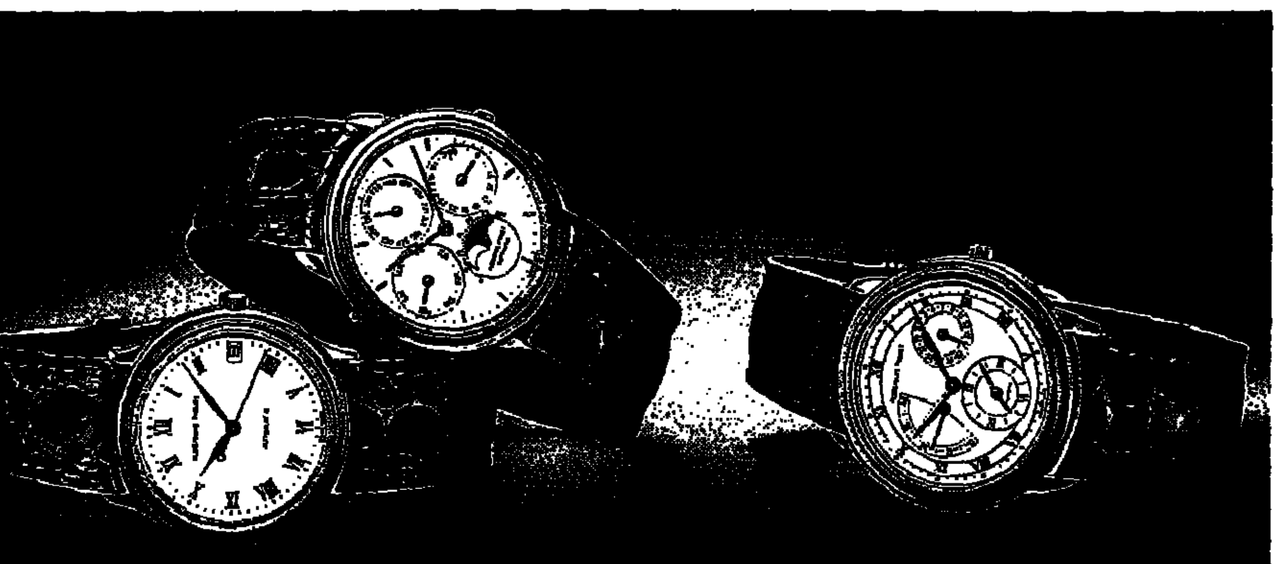

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MARKET DIARY

Dow Gains Slightly Led by Bank Rally

United Press International

NEW YORK — Prices closed slightly higher in anemic summer trading Monday on the New York Stock Exchange with professional investors spending most of the session following the lead of bonds.

A strong rally in the banking sector following BankAmerica's decision to acquire Security Pacific stole the limelight for the session.

The blue-chip Dow Jones industrial average, which lost 17.66 points Friday, rebounded 5.14 to 3,001.34.

Among broad-based gauges, the NYSE composite index gained 0.36 to 212.53 and Standard & Poor's 500-stock index rose 0.90 to 388.02. The price of an average NYSE share added 6 cents.

Advances narrowly topped declines. Adjusted volume amounted to 145.28 million shares, up slightly from 143.64 million Friday.

Prices ended mixed on the American Stock Exchange and in over-the-counter trading, while key U.S. government securities ended slightly higher. The bellwether 30-year Treasury bond added 5/32 to 99 4/32, to yield around 8.21 percent, after a seesaw session.

"Stocks followed bonds most of the session," said Trude Latimer, market analyst with Jesup, Josephthal & Co.

BankAmerica agreed to take over Security Pacific in a stock swap to create the nation's second-largest banking institution with approximately $190 billion in assets.

Security Pacific paced the NYSE actives, jumping 9⅝ to 32⅝ on the news. BankAmerica followed, rising 2⅜ to 40.

The merger news also boosted other banking stocks.

First Interstate Bancorp's Class A shares were third most active, jumping ⅝ to 1½. First Interstate's common shares surged 5¾ to 33½ in active trading.

Citicorp jumped 1 to 14¾, Barnett Banks gained 1½ to 34, Chase Manhattan jumped 1¾ to 21⅛, Bank of Boston gained ⅜ to 11¼ and Wells Fargo jumped 3¼ to 75½.

N.Y. Stocks

Dollar Meets Resistance And Gain Turns to Loss

Compiled by Our Staff From Dispatches

NEW YORK — The dollar fell against the Deutsche mark on Monday, retreating from morning gains after it failed to break resistance at 1.7350 DM, dealers said.

The U.S. unit fell to 1.7246 DM from 1.7290 on Friday. It traded as high as 1.7345 DM during the day.

"We went up there, and just came down very rapidly," said trader Eugene Chang with BankAmerica Corp. in Los Angeles. "There was no news. There is nothing fundamentally happening in the market."

Caution before the Bundesbank council meeting Thursday kept many out of the market because of the chance of a German interest rate rise to combat inflationary pressures arising from the unification of East and West Germany last year.

The dollar finished at 136.50 yen, down from 136.57.

The dollar fell to 5.8673 French francs from 5.8805. Finance Minister Pierre Bérégovoy would like to lower interest rates but cannot do so unless the Bundesbank leaves its rates unchanged, according to Carl Weinberg, chief economist of High Frequency Economics, an international data analysis firm.

France has been unable to lower interest rates because this would have weakened its currency beyond the limit allowed within the Exchange Rate Mechanism of the European Monetary System.

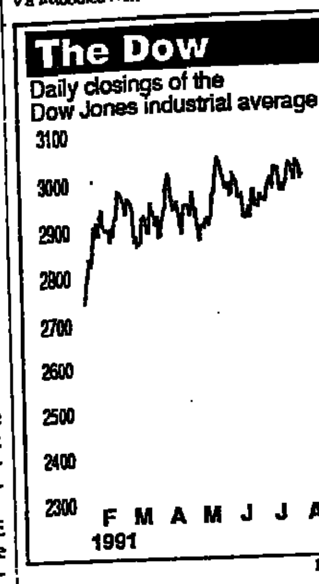
The dollar also fell to 1.5087 Swiss francs from 1.5145. The pound rose to $1.6975 from $1.6935.

In earlier London trading, the dollar moved higher, ending at 1.7265 DM and 136.75 yen, compared with previous closes of 1.7245 and 136.45.

(Reuters, UPI)

Foreign Exchange

Via Associated Press Aug. 12



NYSE Most Actives

	Vol.	High	Low	Last	Chg.
SecPac	104923	32¾	31	32½	+9½
BnkAm	54620	40	37⅞	39⅞	+2½
FirstA	38964	1¾	1	1½	+ ⅝
WellsFE s	28969	22¾	21¾	22⅛	— ⅛
Solomn	23056	33⅛	30⅝	31⅝	—3
Fintste	22137	34¼	31⅞	33⅝	+6
GnMotr	18828	38⅛	37⅝	37⅝	— ⅛
Chase	16655	21⅛	19⅝	21	+1¾
EKodak	16631	42⅝	40⅞	42⅜	+1¾
Citicorp	14305	14⅜	13⅞	14⅜	+ ⅜
BlockE s	14089	11¼	11	11¼	
PhilMr	11732	71⅝	70½	71	— ¼
Limitd	11589	30⅝	29⅝	30½	— ⅜
AT&T	10867	39⅝	39¼	39⅛	— ¼
SwtPS	10780	29¼	29⅜	29⅛	— ⅛

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
PtdHlth	6204	15⅞	14	14⅝	—1⅛
BAT In	4711	12⅝	12¼	12¼	— ⅜
GiantFd	3714	24½	23⅝	23⅞	— ¼
EchoBy	3403	8¾	8⅝	8½	— ¼
ForstL s	3208	39⅞	38⅞	39⅞	+ ⅜
MetMB	3127	19⅝	19	19⅝	+ ⅜
FounHl	2740	24⅝	23⅞	24⅛	+ ¼
DowCr t	2514	7⅞	7⅝	7⅝	— ⅛
ChDvA s	1913	29⅝	28⅝	29	— ½
BergBr	1735	29⅝	29	29	— ⅛
AHltMa	1625	2⅞	2⅝	2⅞	— ⅛
Hillhav	1340	3	2⅝	3	
Kinark	1317	9⅝	9⅛	9⅛	— ½
NAVac	1207	14⅞	14	14⅝	— ⅜
SterHS	1189	18¾	17⅜	17⅜	—1⅛

NYSE Diary

	Close	Prev.
Advanced	775	695
Declined	772	868
Unchanged	537	518
Total Issues	2084	2081
New Highs	89	91
New Lows	19	11

Amex Diary

	Close	Prev.
Advanced	246	251
Declined	279	248
Unchanged	262	283
Total Issues	787	782
New Highs	25	20
New Lows	13	9

NASDAQ Diary

	Close	Prev.
Advanced	886	890
Declined	987	994
Unchanged	2,266	2,252
Total Issues	4,134	4,136

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	2989.27	3012.42	2974.06	3001.34	+ 5.14
Trans	1213.33	1219.85	1204.16	1214.39	— 0.70
Util	202.30	203.81	201.68	203.18	
Comp	1066.98	1074.65	1061.07	1070.34	+ 0.87

Standard & Poor's Indexes

	High	Low	Close	Ch'ge
Industrials	461.48	459.35	461.22	+0.13
Transp.	297.41	296.07	296.78	—0.43
Utilities	140.68	139.77	140.60	+0.43
Finance	31.50	30.78	31.50	+0.68
SP 500	388.17	385.90	388.02	+0.90
SP 100	368.56	366.23	368.28	+0.84

NYSE Indexes

	High	Low	Close	Ch'ge
Composite	212.53	211.62	212.53	+0.36
Industrials	266.93	266.27	266.93	—0.08
Transp.	178.90	178.48	178.86	—0.46
Utilities	92.14	91.69	92.14	+0.26
Finance	157.75	155.70	157.75	+2.09

NASDAQ Indexes

	High	Low	Close	Ch'ge
Composite	510.23	507.14	510.08	+1.69
Industrials	567.79	563.99	567.47	+2.33
Finance	513.73	511.61	513.33	+1.62
Insurance	543.92	540.98	542.80	+0.78
Utilities	578.85	571.11	576.67	—1.10
Banks	335.26	331.71	335.24	+2.74
Transp.	528.74	521.55	526.92	+2.30

AMEX Stock Index

High	Low	Close	Ch'ge
366.31	365.35	366.31	+0.33

Dow Jones Bond Averages

	Close	Ch'ge
20 Bonds	95.45	—0.05
10 Utilities	96.59	+0.09
10 Industrials	94.31	—0.19

Market Sales

NYSE 4 p.m. volume	145,280,000
NYSE prev. cons. close	179,464,950
Amex 4 p.m. volume	9,322,710
Amex prev. cons. close	12,261,000
NASDAQ 4 p.m. volume	114,074,100
NASDAQ prev. 4 p.m. volume	140,777,000

S&P 100 Index Options

Aug. 12

Strike Price	Calls-Last Jly	Aug	Sep	Oct	Puts-Last Jly	Aug	Sep	Oct
335	33⅝	—	36⅛	—	⅛	⅛	1⅛	—
340	29	29¾	—	—	⅛	¼	2⅛	4
345	23⅝	—	25	—	⅛	⅜	2⅞	—
350	17⅞	20	21	26	⅛	1⅛	3⅝	5⅜
355	9⅝	17	20⅝	—	⅛	2⅛	4⅝	—
360	4⅞	13⅝	16	18	⅛	3⅝	5⅝	7⅛
365	1⅝	9⅝	12⅝	—	2⅞	4⅝	7⅛	—
370	⅜	6⅞	9⅝	11⅛	7⅜	6⅜	9⅝	11⅛
375	⅛	4⅛	7	—	12	9⅝	13⅛	—
380	⅛	2⅜	5	7⅛	17	14	16	—
385	—	1⅛	3⅛	—	—	17⅜	18⅛	—
390	—	⅝	2⅛	3⅝	—	—	22½	24⅜

Calls: total vol. 98,294; total open int. 347,289
Puts: total vol 84,269; total put open interest 485,218

	Dec 92	Dec 93	Dec 92	Dec 93
27½	—	—	⅞	1½
30	8½	—	1⅛	—
32½	—	—	2⅛	2⅞
35	—	—	—	—
37½	—	—	—	—
40	—	—	—	—

Calls: total vol. 10; total open int. 22,450
Puts: total vol. 288; total open int. 69,276
Source: CBOE.

For investment information read THE MONEY REPORT every Saturday in the IHT

EUROPEAN FUTURES

Food

	Close		High	Low	Prev. Close	
SUGAR (FOX) U.S. Dollars per metric ton-lots of 50 tons						
Oct	190.00	190.40	201.90	187.40	202.90	203.00
Dec	182.00	185.00	190.00	180.00	189.80	195.00
Mar	180.00	180.40	189.00	176.00	190.80	191.00
May	184.50	184.80	190.00	184.00	191.80	193.40
Aug	187.00	187.80	189.00	187.00	191.80	194.80
Oct	188.00	189.00	N.T.	N.T.	194.80	197.80
Dec	180.00	188.00	N.T.	N.T.	189.80	197.80
Est. Sales 1,269.						
COCOA (FOX) Sterling per metric ton-lots of 10 tons						
Sep	663	664	669	657	657	658
Dec	698	699	707	693	696	697
Mar	730	731	739	726	730	731
May	747	749	756	745	750	751
Jul	765	766	773	764	769	770
Sep	783	785	794	782	788	789
Dec	807	809	818	809	814	816
Mar	831	833	840	834	838	839
May	846	848	858	848	855	856
Jul	860	864	871	858	873	874
Est. Sales 3,797.						
COFFEE (FOX) Sterling per metric ton-lots of 5 tons						
Sep	504	585	515	533	512	513
Nov	527	528	539	527	535	536
Jan	548	549	559	547	556	557
Mar	563	566	574	569	570	574
Est. Sales 4,415.						

Paris sugar prices were not available Monday due to problems at the source.

Metals

	Close Bid	Ask	Previous Bid	Ask
ALUMINUM (High Grade) Dollars per metric ton				
Spot	1266.00	1268.00	1271.00	1272.00
Forward	1297.00	1298.00	1300.00	1301.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1321.50	1322.50	1323.50	1324.50
Forward	1343.50	1344.00	1345.50	1346.00
LEAD Sterling per metric ton				
Spot	320.50	322.50	320.00	320.50
Forward	332.50	333.00	331.50	331.75
NICKEL Dollars per metric ton				
Spot	8295.00	8305.00	8295.00	8305.00
Forward	8265.00	8270.00	8375.00	8380.00
TIN Dollars per metric ton				
Spot	5670.00	5680.00	5685.00	5695.00
Forward	5760.00	5765.00	5770.00	5775.00
ZINC (Special High Grade) Dollars per metric ton				
Spot	1061.00	1061.50	1062.00	1064.00
Forward	1078.00	1078.50	1078.50	1079.00

Financial

	High	Low	Close	Change
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct				
Sep	89.24	89.21	89.22	—0.03
Dec	89.70	89.65	89.67	—0.04
Mar	89.94	89.93	89.94	—0.02
Jun	89.88	89.87	89.87	—0.03
Sep	89.73	89.70	89.71	—0.04
Dec	89.63	89.61	89.63	—0.02
Mar	89.48	89.45	89.47	Unch.
Jun	89.46	89.43	89.45	—0.01
Sep	89.45	89.44	89.44	—0.02
Dec	N.T.	N.T.	89.43	—0.01
Est. volume: 9,414. Open interest: 136,626.				
3-MONTH EURODOLLARS (LIFFE) $1 million - pts of 100 pct				
Sep	94.24	94.23	94.24	—0.01
Dec	93.91	93.89	93.90	+0.01
Mar	93.84	93.82	92.84	+0.02
Jun	93.47	93.45	93.47	+0.03
Sep	93.00	92.99	93.00	+0.05
Dec	N.T.	N.T.	92.49	+0.06
Jun	92.17	92.17	92.14	+0.02
Est. volume: 1,521. Open interest: 33,167.				
3-MONTH EUROMARKS (LIFFE) DM1 million - pts of 100 pct				
Sep	90.58	90.56	90.57	—0.03
Dec	90.60	90.57	90.59	—0.01
Mar	90.82	90.80	90.81	—0.02
Jun	90.93	90.91	90.93	—0.01
Sep	91.06	91.05	91.06	—0.01
Dec	91.15	91.15	91.18	+0.01
Mar	N.T.	N.T.	91.30	—0.01
Jun	N.T.	N.T.	91.30	—0.03
Est. volume: 10,075. Open interest: 127,082.				
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct				
Sep	93-11	92-27	92-29	—0-16
Dec	93-15	93-04	93-04	—0-14
Est. volume: 20,095. Open interest: 51,457.				
GERMAN GOVERNMENT BUND (LIFFE) DM 250,000 - pts of 100 pct				
Sep	84.28	84.13	84.28	+0.04
Dec	84.45	84.32	84.45	+0.03
Mar	N.T.	N.T.	84.52	+0.04
Est. volume: 20,152. Open interest: 87,246.				

Industrials

	High	Low	Last	Settle	Ch'ge
GASOIL (IPE) U.S. dollars per metric ton-lots of 100 tons					
Aug	188.25	185.00	185.25	Exp. 186.75	+0.50
Sep	188.50	186.50	186.75	188.50	+0.75
Oct	189.50	187.75	188.25	188.50	+1.25
Nov	190.25	189.25	190.00	190.50	+1.00
Dec	191.25	190.00	191.00	191.00	+1.00
Jan	190.25	188.00	188.00	188.00	Unch.
Feb	184.00	183.00	183.50	183.50	Unch.
Mar	177.50	177.00	177.00	177.00	Unch.
Apr	174.00	173.50	173.50	173.50	—0.50
Est. Sales 11,875. Prev. sales 20,803. Open interest 83,575					
BRENT CRUDE OIL (IPE) U.S. dollars per barrel-lots of 1,000 barrels					
Sep	19.74	19.58	19.62	19.62	+0.02
Oct	19.79	19.64	19.72	19.72	+0.07
Nov	19.82	19.70	19.76	19.78	+0.11
Dec	19.80	19.70	19.70	19.70	+0.08
Jan	19.55	19.55	19.55	19.55	—0.05
Feb	N.T	N.T.	N.T.	19.53	—0.05
Mar	N.T.	N.T.	N.T.	19.40	—0.05
Apr	N.T.	N.T.	N.T.	19.35	—0.05
May	N.T.	N.T.	N.T.	19.30	—0.05
Est. Sales 17,500. Prev. sales 23,428. Open interest 69,294					

Stock Indexes

FTSE 100 (LIFFE) £25 per index point				
Sep	2593.0	2578.0	2592.0	—7.0
Dec	2631.0	2626.0	2635.5	—7.0
Mar	N.T.	N.T.	2672.0	—7.0
Est. volume: 4,034. Open interest: 39,927.				

Sources: Reuters, Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

Spot Commodities

Commodity	Today	Prev.
Aluminum, lb	0.575	0.578
Coffee, lb	0.66	0.66
Copper electrolytic, lb	1.13	1.132
Iron FOB, ton	213.00	213.00
Lead, lb	0.36	0.36
Silver, troy oz	3.96	3.95
Steel (billets), ton	473.00	473.00
Steel (scrap), ton	0.99	0.99
Tin, lb	3.6772	3.68
Zinc, lb	0.5375	0.5375

Dividends

Company	Per	Amt	Pay	Rec
OMITTED				
Turner Corp				
USUAL				
Avemco Crp	Q	.10	10-23	9-27
Barnwell Indus	Q	.07½	9-19	9-5
Commerce Bncshrs	Q	.19	9-30	9-9
Fremont General	Q	.22	10-31	9-30
Plains Petroleum	Q	.06	9-30	9-13
Russ Berrie & Co	Q	.15	9-11	8-22
Seafield Capital	Q	.30	9-3	8-23
Texas Utilities	Q	.75	10-1	9-3

a-annual; m-monthly; q-quarterly; s-semi-annual
Source: UPI.

N.Y.S.E. Odd-Lot Trading

	Buy	Sales	Short*
Aug. 9	576,825	688,711	54,747
Aug. 8	540,487	713,574	41,825
Aug. 7	620,973	748,019	28,894
Aug. 6	694,526	692,914	30,988
Aug. 5	478,008	669,694	22,978

*Included in the sales figures.

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Kodak Plans to Shed 3,000 Workers

ROCHESTER, New York (Reuters) — Eastman Kodak Co. said on Monday it would launch a plan to persuade as many as 3,000 workers to retire early, with some to go involuntarily if the plan does not succeed.

Kodak said the action could cut $375 million from its third-quarter earnings. The news helped Kodak shares rise $1.75 to $42.375 on the New York Stock Exchange.

Interest Rates Fall at Treasury Sale

WASHINGTON (AFP) — Interest rates on short-term U.S. government securities fell sharply at Monday's auction, dropping to their lowest level since 1987, the Treasury Department announced.

The department sold $10.5 billion worth of three-month bills at a rate of 5.30 percent against 5.51 percent last week. Another $10.4 billion in six-month bonds sold at a rate of 5.39 percent against 5.59 percent.

LTV Told to Make Pension Payment

WASHINGTON (UPI) — The federal Pension Benefit Guaranty Corp. Monday ordered LTV Corp., currently in Chapter 11 bankruptcy, to make funding contributions to its three steel pension plans that were returned to the company by the Supreme Court.

The pension agency, which insures corporate pensions, said the order was being issued to protect the hourly pension plan of Jones & Laughlin, an LTV subsidiary. The J&L hourly pension plan has a liability of about $1.5 billion.

Fed Official Optimistic on Recovery

WASHINGTON (Reuters) — The Richmond Federal Reserve Bank president, Robert Black, said he does not expect the U.S. recovery to falter although economic growth looks like it has slowed recently.

He described last week's move by the Fed to ease monetary policy as insurance to help guard against the possibility of the recovery faltering.

Kennametal Shares Dip on Inquiry

PITTSBURGH (Reuters) — Kennametal Inc. shares slid $3.50 to close at $31.625 on the New York Stock Exchange Monday as investors reacted to reports the company was the subject of a U.S. investigation of sales of equipment to Iraq.

Kennametal, one of the biggest machine-tool makers in the United States, said it did not violate U.S. export laws by selling sensitive technology and tools used to make complex machinery to Iraq.

BCCI: *An Empire Built on Deceit*

(Continued from first finance page)

Funds often passed through the International Credit & Investment Co. Operating under the Cayman Islands strict secrecy, this affiliate's relationship with BCCI was misunderstood for years.

It was thought to be linked to Mr. Abedi's charity programs, and BCCI did finance everything from $8 million worth of health and agricultural programs sponsored by former President Jimmy Carter to scholarships for Third World musicians and writers.

Regulators now learn that the affiliate's purpose was to serve as a conduit for secret and illicit dealings. Now the Cayman affiliate has been called a bank within a bank, at the heart of the BCCI fraud.

Once its loan losses spiraled, BCCI could have admitted the problem, husbanded its capital and struggled to survive.

Instead, it hid the losses and rolled the dice.

The London treasury of BCCI apparently lost big on financial futures, options contracts and cotton. The bank had a $1 billion limit on its investments, but in desperation the accounts swelled to a stunning $11 billion.

In 1985, the Luxembourg banking authorities asked Price Waterhouse to investigate.

At the time, however, the accounting firm concluded that BCCI's failure to recognize the losses resulted from "incompetence."

BANKS: *California Acquisition Is Biggest in U.S. Industry's History*

(Continued from Page 1)

years. First-half earnings this year were $554 million.

With Congress likely to permit interstate bank branching, Mr. Rosenberg plans to intensify the bank's efforts at realizing the thwarted dream of its immigrant founder, A.P. Giannini, to create a nationwide bank.

Only this month, the bank acquired the troubled Valley Capital Corp., a troubled Arizona bank with 73 bank branches and $3.2 billion in assets. By adding Security Pacific, BankAmerica said it would have units in 10 Western states, which include the largest banks in California and Washington state; banks among the top three in Arizona, Nevada, New Mexico and Oregon; and operations in Texas, Utah, Idaho and Alaska — giving it the largest branch network in the country.

Frank Newman, the chief financial officer, said Bank of America's planned to spin off troubled real estate and other loans, but he did not say how.

The bank said in a statement that it expected to save $1 billion within three years by consolidating operations and would set aside $700 million for integrating systems and staffs.

Bank of America common stock will be exchanged at the rate of 0.88 share for each share of Security Pacific, which jumped $9.50 on the New York Stock Exchange in trading Monday, to $32.50 a share. Raphael Soifer, an analyst at Brown Brothers Harriman & Co., calculated that Bank of America was paying $33 a share for Security Pacific. Bank of America rose $2.50 to $39.875 per share.

The merger, which is expected to be completed in approximately six months, is subject to approval by the shareholders.

Reuters reported that BankAmerica said it did not see any "material" antitrust problems arising from the deal.

WORLD STOCK MARKETS

Agence France Presse Aug 12

Amsterdam

	Close	Prev.
ABN Amro Hld	39.50	39.70
ACF Holding	36.80	37
Aegon	118.10	118.90
Ahold	79	79.30
Akzo	117.30	117.60
AMEV	53.10	50.60
A'Dam Rubber	3.80	3.90
Bols	201.80	202.20
Buhrmann Tett	46.60	46.60
Center Parcs	24.50	24.50
CSM	82.20	82.30
DAF	23.20	23.70
DSM	105.30	105.90
Elsevier	84.90	85.40
Fokker	34.10	33.30
Gist-Brocades	34	34.20
Heineken	150.70	151.40
Hoogovens	59.80	59.80
Hunter Douglas	81.20	81.50
IHC Caland	60.80	61.50
Inter Mueller	69	73
Int'l Nederland	49.70	49.80
KLM	30.80	30.70
KNP	51.70	51.70
Nedlloyd	59.40	58.60
Oce Grinten	57.20	57.30
Pakhoed	191	193.10
Philips	32.80	32.90
Robeco	100	100.50
Rodamco	53.50	53.60
Rolinco	99.60	100.20
Rorento	66.40	66.30
Royal Dutch	159	159
Unilever	157.70	158.50
Van Ommeren	45.30	45.70
VMF Stork	45	45.70
VNU	74.70	75.40
Wessanen	81.50	83.10
Wolters/Kluwer	53.10	53.40

CBS Trend Index : 91.90
Previous : 92.20

Brussels

	Close	Prev.
AG Fin	1820	1820
Arbed	4500	4510
Barco	1150	1170
Bekaert	9250	9250
Cockerill	180	180
Cobepa	4980	4980
Delhaize	7520	7800
Electrabel	4550	4550
GB-Inno-BM	1298	1290
GBL	3470	3480
Gevaert	6480	6520
Hoboken	11200	11200
Kredietbank	4060	4040
Petrofina	11550	11550
Royal Belge	4710	4180
Soc Gen Banque	5060	5090
Soc Gen Belgique	2385	2395
Sofina	11600	11725
Solvay	12850	12875
Tractebel	8250	8250
UCB	17975	18100
Powerfin	2350	2360

Current Stock Index : 5748.91
Previous : 5757.85

Frankfurt

	Close	Prev.
AEG	197.50	197
Allianz Hold	2065	2085
Altana	639.50	638
Asko	851	850
BASF	237.90	237.50
Bayer	273.20	274.50
Bay Hypo bank	349	349
Bay Vereinsbk	409.20	409.50
BBC	770	780
BHF Bank	373	375
BMW	523	527
Commerzbank	258.50	261
Continental	209.90	209.90
Daimler Benz	742	743.10
Degussa	342	345
Dt Babcock	168	167
Deutsche Bank	652.10	653
Douglas	725	730
Dresdner Bank	362.20	361.70
Harpener	330	300
Henkel	571.50	576
Hochtief	1270	1290
Hoechst	239	238.50
Hoesch	265	265.70
Holzmann	1300	1300
Horten	197	199
IWKA	315	317.50
Kali Salz	169	170
Karstadt	591	588.50
Kaufhof	472	478.50
KHD	166.50	167
Kloeckner Werke	133.50	134.70
Krupp Stahl	142	144
Linde	782	788.50
Lufthansa	142.50	141.30
MAN	365.20	369.50
Mannesmann	267.50	269.50
Metallgesell	491	494
Muench Rueck	2430	2440
Nixdorf	242.30	246.10
PKI	506	506
Porsche	800	805
Preussag	361.50	361.20
PWA	253	251
RWE	383.50	384.50
Rheinmetall	331	331
Schering	807	804.80
SEL	374.70	375
Siemens	652.10	657.10
Thyssen	225.70	225.20
Varta	348	352
Veba	344.20	346.50
VEW	198.50	198.50
Viag	389	390.30
Volkswagen	369.60	371.50
Wella	N.Q.	685

DAX Index : 1626.84
Previous : 1632.21
FAZ Index : 673.89
Previous : 677.37

Helsinki

	Close	Prev.
Amer A	55	55
Enso-Gutzeit	18.50	18.20
K.O.P.	33	33
Kymmene	67	64
Metra	71.50	72
Nokia	90	90
Pohjola	95	93
Repola	55	59
Stockmann	N.Q.	—

HEX Index : 1000.10
Previous : 1001.76

Hong Kong

	Close	Prev.
Bk East Asia	19.30	19.10
Cathay Pacific	9.35	9.20
Cavendish Int'l	3.73	3.73
Cheung Kong	20.40	20.30
China Light Pwr	21.20	21
Dairy Farm Int'l	10.80	10.80
Hang Lung Dev	8	8
Hang Seng Bank	33.50	32.75
Henderson Land	13	13
HK Air Eng.	18.60	18.40
HK China Gas	10.90	10.80
HK Electric	12.80	12.60
HK Land	9	8.90
HK Realty Trust	6.90	7.10
HK Shang Bank	30	28.90
HK Shang Hits	4.93	5.10
HK Telecomm	7.15	7.05
HK Ferry	5.25	5.20
Hutch Whampoa	15.50	15.30
Hysan Dev	8.15	8
Jardine Math.	36.25	36.25
Jardine Str Hld	18.40	18.30
Kowloon Motor	8.15	8.15
Mandarin Orient	4.80	4.70
Miramar Hotel	5.75	5.75
New World Dev	11.40	11.30
SHK Props	21.10	21.20
Stelux	3.53	3.48
Swire Pac A	22.20	21.90
Tai Cheung Prps	4.86	4.83
TVE	1.60	1.58
Wharf Hold	10.40	10.10
Wing On Co	7.65	7.65
Winsor Ind.	10.10	9.90
World Int'l	5.65	5.65

Hang Seng Index : 4070.14
Previous : 4024.01

Johannesburg

	Close	Prev.
AECI	11.75	11.85
Altech	90	90
Anglo Amer	123.25	122.25
Barlows	47.75	47.25
Blyvoor	7	7
Buffels	39.75	39.75
De Beers	90.50	89.75
Driefontein	41.25	41
Gencor	14.45	14
GFSA	76	75.50
Harmony	18.25	18.25
Highveld Steel	17	17.18
Kloof	33.75	34
Nedbank Grp	15	15
Randfontein	14.35	14.25
Rusplat	72	71.25
SA Brews	59.50	59
St Helena	25.50	25.50
Sasol	14.70	14.70
Welkom	15	15.50
Western Deep	115	116.50

Composite Stock Index : 3497
Previous : 3481

London

	Close	Prev.
Abbey Nat'l	2.92	2.99
Allied Lyons	5.81	5.77
Arjo Wiggins	2.76	2.76
Argyll Group	2.97	2.99
ASDA Group	0.88	0.88
Ass Brit Foods	5.27	5.30
BAA	4.37	4.34
BAe	5.50	5.61
Bank Scotland	1.19	1.19
Barclays	4.52	4.60
Bass	9.16	9.13
BAT	7.33	7.33
BET	2.08	2.08
BICC	4.57	4.50
Blue Circle	2.55	2.55
BOC Group	5.77	5.76
Boots	4.20	4.15
BP	3.35	3.36
Brit Airways	1.85	1.84
Brit Gas	2.46	2.45
Brit Steel	1.23	1.21
Brit Telecom	3.84	3.81
BTR	4.12	4.09
Cable Wire	5.68	5.78
Cadbury Sch	3.75	3.74
Comm Union	5.32	5.42
Courtaulds	4.51	4.45
Enterprise Oil	5.18	5.19
Eurotunnel	4.45	4.45
Fisons	4.73	4.72
Forte	2.78	2.74
GEC	1.86	1.84
Gen'l Acc	5.49	5.55
Glaxo	12.67	12.85
Grand Met	8.02	7.93
GRE	1.78	1.82
Guinness	9.87	9.82
GUS	16	16
Hanson	2.15	2.16
Hawker Sidd	5.74	5.72
Hillsdown	2.25	2.18
ICI	13.25	13.33
Kingfisher	5.47	5.40
Ladbroke	2.71	2.72
Land Sec	5	5
Lasmo	3.30	3.22
Legal Gen Grp	4.38	4.36
Lloyds Bank	3.65	3.66
Lonrho	2.42	2.41
Lucas Ind	1.46	1.40
Marks Sp	2.72	2.73
Maxwell	1.99	1.97
MEPC	4.67	4.67
Midland Bk	2.35	2.37
Nat'l Power	1.47	1.54
NatWest	3.28	3.35
NthWst Water	3.65	3.67
Pearson	7.52	7.60
P & O	5.94	5.86
Pilkington	1.52	1.51
PowerGen	1.60	1.58
Prudential	2.52	2.51
Racal Elec	2.16	2.14
Rank Org	6.81	6.90
Reckitt Col	6.52	6.55
Redland	5.50	5.55
Reed Intl	4.37	4.38
Reuters	8.30	8.36
RMC Group	6.62	6.57
Rolls Royce	1.53	1.50
Rothmans	10.60	10.60
Royal Ins	4.02	3.97
Royal Scot	1.81	1.78
RTZ	5.78	5.78
Sainsbury	3.64	3.64
Scot Newcas	4.13	4.12
Sears Holds	0.80	0.81
Severn Trent	3.28	3.30
Shell	5.20	5.15
Smith Nephew	1.33	1.34
SmithKline B	7.76	7.75
Sun Alliance	3.91	3.87
Tarmac	2.21	2.18
Tate & Lyle	3.80	3.75
Tesco	2.65	2.66
Thorn EMI	7.90	7.82
Trafalgar Hse	2.26	2.18
TSB Group	1.49	1.51
Ultramar	2.70	2.68
Unilever	7.62	7.55
Utd Biscuits	3.88	3.85
War Loan 3½	35.50	35.50
Wellcome	7.19	7.20
Whitbread	4.92	4.90
Williams Hdgs	3.13	3.17
Willis Corroon	3.18	3.20

F.T. 30 Index : 2085.20
Previous : 2065.50
F.T.S.E. 100 Index : 2567.40
Previous : 2570.00

Madrid

	Close	Prev.
Bco. Bilbao/Viz.	3150	3155
Banco Central	4280	4280
Bco. Santander	5160	5150
Banesto	3745	3700
CEPSA	2265	2260
Dragados	2410	2405
Iberduero	678	671
Telefonica	975	976

S.E. General Index : 278.11
Previous : 278.18

Milan

	Close	Prev.
Alenia	2842	2840
Banca Comm	4790	4770
Bastogi	213	213
Benetton group	9860	9900
Ciga hotels	2410	2420
CIR	2830	2865
Cred Ital	2683	2680
Enichem	1499	1450
Eridania	7350	7360
Ferfin	2125	2137
Ferfin Risp	1335	1352
Fiat SPA	5915	5995
Generali	31200	31350
IFI	15600	15800
Italcem	23410	22400
Italgas	3225	3213
Italmobiliare	73780	74160
Mediobanca	16000	16075
Montedison	1420	1432
Olivetti	3731	3745
Pirelli	1975	2000
RAS	18626	N.A.
Rinascente	7350	7300
Saipem	1472	1468
SIP	1110	1121
SME	3165	3171
Snia	1410	1451
Standa	34950	34950
Stet	1947	1969
Toro Assi Risp	22980	23050

MIB Index : 1098
Previous : 1103

Montreal

	Close	Prev.
Alcan Aluminum	23⅛	23½
Bank Montreal	36¼	36⅝
Bell Canada	44⅝	44½
Bombardier A	23½	24
Bombardier B	23⅝	23½
Cambior	9⅝	9⅝
Cascades	4.85	4.85
Dominion Text A	6⅝	6⅝
Donohue	N.Q.	—
MacMillan Bl	20½	20⅝
Memotec	N.Q.	9⅝
Nat'l Bk Canada	10⅝	10⅝
Power Corp.	15⅝	15⅝
Provigo	11⅛	11⅛
Quebec Tel	15⅞	15⅝
Quebecor A	N.Q.	—
Quebecor B	16⅝	16¼
Videotron	13⅝	13⅝

Industrials Index : 1584.52
Previous : 1588.72

Paris

	Close	Prev.
Accor	762	763
Air Liquide	680	679
Alcatel Alsthom	569	571
Bancaire (Cie)	520	521
BIC	723	730
Bouygues	549	551
BSN-GD	890	890
Carrefour	2014	2020
C.C.F.	161.50	162
Cerus	125	125.60
Chargeurs	767	775
Club Med	431.90	435
Elf-Aquitaine	361.50	360.50
Gen. Eaux	2370	2369
Eurodisneyland	128.60	129
Hachette	174	178
Havas	499.50	500
Imetal	285	290
Lafarge Coppee	336	338
Legrand	3540	3594
Lyon. Eaux	529	527
Oreal (L')	587	598
L.V.M.H.	4292	4254
Matra	196.80	198
Merlin Gerin	489	491.10
Michelin B	113	109.50
Moulinex	159.70	160
Paribas	415	419.10
Pechiney Intl	149.50	150.50
Pernod-Ricard	1194	1194
Perrier	1345	1347
Peugeot	586	587
Printemps (Au)	815	818
Radiotechnique	478	480
Raff. St. Louis	1450	1450
Redoute (La)	4150	4150
Saint Gobain	444.90	442.60
S.E.B.	878	875
Sanofi	1600	1610
Ste Generale A	436	437.50
Suez	335.80	337
Thomson-CSF	128.10	131.50
Total	852	852
U.A.P.	522	524
Valeo	508	518

CAC 40 Index : 1780.36
Previous : 1783.54

To Our Readers

Stock prices for Sao Paulo were not available for this edition due to problems at the source.

Singapore

	Close	Prev.
City Dev.	2.16	2.28
DBS	11.80	11.90
Fraser Neave	8.20	8.30
Harrisons Plant	1.28	1.24
Haw Par	2.43	2.50
Hume	3.50	3.60
Inchcape	4.02	4.12
Keppel	7.45	7.45
KL Kepong	2.35	2.43
Lum Chang	1.04	1.10
Malayan Banking	3.96	4.04
OCBC	8.45	8.55
OUB	5.15	5.25
OUE	6.60	6.60
Sembawang	6.80	6.95
Shangrila	5.65	5.65
Sime Darby	2.31	2.33
SIA	13.40	13.60
S'pore Land	5.65	5.70
S'pore Press	8.55	8.70
Sing Steamship	2.36	2.39
Straits Trading	2.74	2.78
UOB	6.70	6.80
United Overseas	1.52	1.57

Straits Times Ind. : 1440.88
Previous : 1462.58

Stockholm

	Close	Prev.
AGA	315	315
Asea	398	405
Astra-A	646	647
Atlas Copco	264	262
Electrolux B	260	261
Ericsson	177	179
Esselte-A	150	150
Handelsbanken	120	117
Norsk Hydro	193.50	196.50
Procordia AF	190	185
Providentia	102	102
Sandvik	345	345
SCA-A	118	120
S-E Banken	75	75
Skandia F	182	184
Skanska	185	185
SKF	110	109
Stora	343	347
Trelleborg B	117	119
Volvo	363	358

Affarsvaerlden : 1071.70
Previous : 1078.90

Sydney

	Close	Prev.
ANZ	4.07	4.06
BHP	13.65	13.85
Boral	3.34	3.34
Bougainville	0.79	0.80
Coles Myer	10.45	10.80
Comalco	4	4.02
CRA	14.20	14.40
CSR	5.34	5.38
Dunlop	5.14	5.22
Fosters Brew	1.75	1.76
ICI Australia	4.25	4.25
Magellan	2.24	2.24
MIM	2.04	2.07
Nat Aust Bank	7.14	7.16
News Corp	9.42	9.16
Nine Network	0.59	0.59
N Broken Hill	2.51	2.55
Poseidon	1.12	1.15
QCT Resources	1.33	1.32
Santos	3.42	3.43
TNT	0.82	0.83
Western Mining	5.44	5.48
Westpac Banking	4.84	4.86
Woodside	3.29	3.30

All Ordinaries Index : 1565.70
Previous : 1584.30

Tokyo

	Close	Prev.
Akai Electr	1060	1110
Asahi Chemical	721	728
Asahi Glass	1170	1170
Bank of Tokyo	1340	1360
Bridgestone	1030	1050
Canon	1510	1530
Casio	1290	1340
C.Itoh	620	623
Dai Nippon Print	1480	1500
Daiwa House	1850	1870
Daiwa Securities	1220	1240
Fanuc	4570	4720
Fuji Bank	2600	2600
Fuji Photo	3380	3420
Fujitsu	994	1000
Hitachi	1090	1100
Hitachi Cable	1080	1090
Honda	1420	1450
Ito Yokado	4480	4500
Japan Airlines	1160	1200
Kajima	1410	1450
Kansai Power	2720	2770
Kawasaki Steel	377	391
Kirin Brewery	1400	1420
Komatsu	828	830
Kubota	639	657
Kyocera	5500	5650
Matsu Elec Inds	1630	1640
Matsu Elec Wks	1520	1540
Mitsubishi Bk	2660	2650
Mitsubishi Kasei	494	505
Mitsubishi Elec	652	664
Mitsubishi Hev	690	704
Mitsubishi Corp	1260	1280
Mitsui and Co	737	745
Mitsukoshi	1250	1250
Mitsumi	1520	1580
NEC	1390	1400
NGK Insulators	1000	1040
Nikko Securities	900	964
Nippon Kogaku	1030	1050
Nippon Oil	931	960
Nippon Steel	397	401
Nippon Yusen	580	597
Nissan	715	719
Nomura Sec	1600	1690
NTT (SF)	8870	8955
Olympus Optical	1190	1250
Pioneer	3570	3410
Ricoh	671	690
Sanyo Elec	532	539
Sharp	1530	1550
Shimazu	701	745
Shinetsu Chem	1570	1600
Sony	5970	6050
Sumitomo Bk	2230	2220
Sumitomo Chem	449	449
Sumi Marine	950	952
Sumitomo Metal	419	431
Taisei Corp	890	900
Taisho Marine	960	967
Takeda Chem	1460	1490
TDK	5530	5730
Teijin	520	540
Tokyo Marine	1240	1260
Tokyo Elec Pw	3410	3520
Toppan Printing	1320	1330
Toray Ind.	625	627
Toshiba	702	710
Toyota	1600	1610
Yamaichi Sec	885	924

Nikkei 225 : 22994
Previous : 23025
Topix Index : 1776
Previous : 1803

Toronto

	Close	Prev.
Abitibi Price	16¼	16¼
Agnico Eagle	5½	5⅝
Air Canada	8⅛	8⅞
Alberta Energy	14½	14⅝
Am Barrick Res	26⅝	26⅝
BCE	44½	44½
BCED	0.14	0.14
Bk Nova Scotia	18½	18½
BC Gas	15⅝	15⅝
BC Phone	19⅝	19⅝
Bramalea	13½	14
BP Canada	6½	6½
Brunswick	N.Q.	7⅝
CAE	7⅜	7⅜
Campeau	0.50	0.49
CIBC	30⅝	30⅝
Canadian Pacific	18⅝	19
Can Packers	15⅝	15½
Can Tire A	24⅞	24⅞
Canadian Turbo	2.05	2.15
Cantor	24⅞	24⅝
Cara	5⅝	5⅝
CCL Ind B	10⅝	10½
Cineplex	5⅛	5⅛
Cominco	23⅝	23⅝
Conwest Expl A	12½	N.Q.
Corona Intl	6½	6⅝
Denison Min B	0.25	0.25
Dickenson Min A	3	2.70
Dofasco	22	21⅞
Dylex A	4.30	4.30
Echo Bay Mines	9⅝	10
Equity Silver A	1.10	1.10
FCA Intl	6	N.Q.
Fed Ind A	7⅝	7⅝
Fletcher Chall A	18½	18½
FPI	5⅝	6
GoldCorp	3.60	3.60
Gulf Cda Res	8⅝	8⅝
Hees Intl	17⅝	17⅝
Hemlo Gld Mines	10¼	10½
Hollinger	11	11
Horsham	11½	11⅝
Hudson's Bay	34⅝	34⅝
Imasco	28⅞	29
Inco	39⅝	40¼
Interprov pipe	30	30
Jannock	15½	15½
Labatt	25⅝	25⅝
Loblaw Co	20⅝	20½
Mackenzie	6⅛	6⅛
Magna Intl A	13	13¼
Maritime	19⅝	19⅝
Mark Res	6½	6⅝
MacLean Hunter	10	10⅛
Molson A	28½	27⅞
Noma Ind A	7⅝	7⅜
Noranda	18⅞	19
Noranda Forest	8⅛	8⅛
Norcen Energy	21⅞	22
Nova Corp	7⅝	7⅝
Oshawa	28⅝	28⅝
Pagurin A	6⅛	6⅛
Placer Dome	14⅝	14⅝
Poco Petroleum	7⅝	7⅝
PWA Corp	6⅛	6⅛
Quebec Sturgeon	N.Q.	—
Rayrock	7⅛	7⅛
Renaissance	14⅝	14⅝
Rogers B	9⅝	9⅝
Rothmans	69½	70
Royal Bank Can	26⅝	26½
Royal TrustCo	9⅛	9
Sceptre Res	3.05	3.10
Scott's Hosp	18⅝	18½
Seagram	125	124½
Sears Can	13	13¼
Shell Can	43⅝	43⅝
Sherritt Gordon	7⅝	8
SHL Systemhse	5⅝	6
Southam	17⅝	17¼
Spar Aerospace	15⅝	15½
Stelco A	6⅛	6⅛
Teck B	21⅛	21⅛
Thomson News	14¼	14⅜
Toronto Domn	18⅝	18⅝
Torstar B	24⅝	24⅝
Transalta Util	13	12⅞
TransCda Pipe	16⅞	16⅝
Triton Finl A	18	17⅞
Trimac	8½	8⅝
Trizec A	13⅛	13⅜
Unicorp A	N.Q.	0.65
Woodward's Ltd	3.10	3.20

TSE 300 Index : 3495.40
Previous : 3502.80

Zurich

	Close	Prev.
Adia Intl	875	880
Alusuisse	1120	1125
Leu Holdings	1770	1795
Brown Boveri	4800	4810
Ciba Geigy	2930	2910
CS Holding	2030	2040
Elektrow	2810	2820
Fischer	1375	1375
Interdiscount	3220	3240
Jacobs Suchard	8500	8500
Jelmoli	1630	1620
Landis Gyr	1090	1100
Moevenpick	4060	4060
Nestle	8610	8670
Oerlikon-B	465	472
Pargesa Hld	1260	1270
Roche Holding B	4945	4950
Safra Republic	90	90
Sandoz	2280	2290
Schindler	5070	5120
Sulzer	445	452
Surveillance	7700	7680
Swissair	765	781
SBC	335	336
Swiss Reinsur	546	551
Swiss Volksbank	1325	1340
Union Bank	3630	3620
Winterthur	3910	3910
Zurich Ins	2180	2180

SBS Index : 631.50
Previous : 633.80

U.S. FUTURES

Via Associated Press Aug. 12

Grains

Season High	Season Low		Open	High	Low	Close	Chg.
WHEAT (CBT) 5,000 bu minimum- dollars per bushel							
3.26	2.58½	Sep	2.95½	2.99	2.94¾	2.98¾	+.03
3.25	2.72½	Dec	3.08	3.12	3.08	3.11¾	+.03
3.70¼	2.79	Mar	3.14½	3.17¾	3.13½	3.17½	+.03½
3.31	2.80½	May	3.10	3.13	3.09	3.13	+.03
3.11	2.79½	Jul	3.00½	3.04½	2.98	3.03¾	+.08¾
3.11	3.04	Sep				3.06½	
Est. Sales		Prev. Sales 5,063					
Prev. Day Open Int. 51,961 up 341							

WHEAT (KCBT) 5,000 bu minimum- dollars per bushel

Sep	2.96½	2.99½	2.96½	2.99¼ +	.02¾
Dec	3.05¼	3.08½	3.05¼	3.08 +	.02¾
Mar	3.10	3.13½	3.10	3.13 +	.02½
May	3.04	3.06½	3.04	3.05½ +	.02
Jul	2.95	2.99	2.95	2.98¾ +	.01¾
Est.Sales		Prv.Sales 5,091	Prev.Day Open Int 40,391	—736	Chg.

Season High	Season Low		Open	High	Low	Close	Chg.
CORN (CBT) 5,000 bu minimum- dollars per bushel							
2.87½	2.18½	Sep	2.51½	2.53	2.50½	2.53	+.02¼
2.75	2.20	Dec	2.55	2.58	2.54½	2.58	+.03
2.77¼	2.28½	Mar	2.63	2.65¼	2.62	2.64¾	+.03
2.79½	2.34¾	May	2.65¾	2.69¼	2.65¾	2.68¼	+.02½
2.82	2.39½	Jul	2.67¼	2.71½	2.67¼	2.70¾	+.02¾
2.65	2.36½	Sep	2.60	2.60	2.58	2.58¾	+.01½
2.59¾	2.36½	Dec	2.54¾	2.56½	2.54½	2.54½	—.00¼
Est. Sales		Prev. Sales 24,419					
Prev. Day Open Int. 221,506 off 2,155							
SOYBEANS (CBT) 5,000 bu minimum- dollars per bushel							
6.95	.00½	Aug	5.59½	5.61	5.57	5.58½	+.02½
6.54	5.13½	Sep	5.62	5.65	5.60¼	5.61½	+.01½
6.74	5.17	Nov	5.73	5.75¼	5.70¼	5.71¾	+.01½
6.59	5.27½	Jan	5.82	5.85	5.80¼	5.81¼	+.01½
6.66	5.38	Mar	5.93	5.95	5.91	5.92¼	+.02¾
6.68	5.47	May	5.99	6.01½	5.98¼	5.99½	+.02½
6.68	5.87	Jul	6.03	6.07	6.02½	6.03	+.00¾
6.60	6.03	Aug				6.01	—.02
6.28	5.57	Sep				5.87	—.01½
6.20¾	5.52	Nov	5.91	5.94½	5.88	5.88½	+.00¾
Est. Sales		Prev. Sales 25,921					
Prev. Day Open Int. 87,579 off 942							
SOYBEAN MEAL (CBT) 100 tons- dollars per ton							
196.00	159.70	Aug	180.00	180.00	179.10	179.70	+.90
195.20	160.00	Sep	177.50	178.00	177.00	177.70	+1.10
195.00	159.90	Oct	177.00	177.00	175.50	176.80	+1.30
196.50	160.00	Dec	177.30	177.30	176.10	176.90	+.80
197.00	161.30	Jan	177.00	177.20	176.50	176.70	+.40
1180.00	163.50	Mar	178.00	178.00	177.00	177.20	—.30
194.00	164.50	May	178.00	178.20	177.30	177.40	+.20
196.00	166.00	Jul	178.50	179.00	177.50	177.30	—.20
Est. Sales		Prev. Sales 13,478					
Prev. Day Open Int. 52,247 up 853							
SOYBEAN OIL (CBT) 60,000 lbs- dollars per 100 lbs.							
25.50	18.18	Aug	20.10	20.16	20.07	20.07	+.04
25.10	18.37	Sep	20.25	20.42	20.18	20.21	+.07
24.90	18.50	Oct	20.37	20.59	20.34	20.38	+.06
24.05	18.81	Dec	20.73	20.95	20.69	20.73	+.02
24.15	19.00	Jan	20.92	21.10	20.90	20.89	—.01
24.10	19.32	Mar	21.20	21.35	21.17	21.17	+.02
23.90	19.62	May				21.40	+.05
24.30	19.90	Jul	21.80	21.80	21.80	21.65	+.05
22.10	20.05	Aug	21.85	21.85	21.85	21.65	+.03
Est. Sales		Prev. Sales 9,245					
Prev. Day Open Int. 67,957 off 584							

Livestock

Season High	Season Low		Open	High	Low	Close	Chg.
CATTLE (CME) 40,000 lbs.- cents per lb.							
75.80	65.50	Aug	66.50	67.15	66.02	66.50	—.27
76.90	68.62	Oct	69.90	70.25	69.05	70.02	—.13
77.00	71.15	Dec	72.80	73.05	71.90	72.90	
76.70	71.00	Feb	72.35	72.60	71.56	72.22	—.38
77.00	72.10	Apr	73.25	73.50	72.55	73.85	—.40
75.15	70.25	Jun	71.70	71.90	71.00	71.65	—.35
72.60	69.75	Aug	70.10	70.10	69.75	69.75	—.25
Est. Sales 23,979 Prev. Sales 23,754							
Prev. Day Open Int. 65,089 off 1,724							
FEEDER CATTLE (CME) 44,000 lbs.- cents per lb.							
90.15	80.20	Aug	83.95	84.00	82.70	83.52	—.38
88.95	79.75	Sep	82.30	82.30	81.00	81.67	—.65
88.30	80.20	Oct	82.10	82.15	81.02	81.62	—.48
88.10	80.90	Nov	82.35	82.35	81.50	81.77	—.63
87.80	80.80	Jan	82.30	82.35	81.55	81.85	—.47
87.10	80.27	Mar	81.30	81.80	81.00	81.50	—.27
87.00	79.95	Apr	81.00	81.10	80.80	81.10	—.30
86.50	78.95	May	79.85	79.85	79.60	79.70	—.30
Est. Sales 4,200 Prev. Sales 4,692							
Prev. Day Open Int. 13,786 up 229							
HOGS (CME) 40,000 lbs.- cents per lb.							
55.50	46.90	Aug	50.30	51.10	50.25	51.06	+.65
49.55	42.15	Oct	42.10	42.92	42.05	42.90	+.48
48.92	42.10	Dec	42.05	42.85	42.00	42.72	+.57
48.25	42.10	Feb	42.25	42.95	42.25	42.90	+.43
46.62	41.50	Apr	41.55	41.75	41.50	41.80	+.25
50.60	45.70	Jun	46.40	46.50	46.10	46.20	+.18
48.20	45.80	Jul	46.40	46.40	46.40	46.40	+.60
46.85	45.00	Aug				44.50	+.20
Est. Sales 5,427 Prev. Sales 7,434							
Prev. Day Open Int. 18,340 up 410							
PORK BELLIES (CME) 40,000 lbs.- cents per lb.							
70.05	40.30	Aug	43.40	45.15	43.40	45.15	+2.00
63.00	45.10	Feb	47.30	48.40	47.27	48.25	+.98
61.00	44.75	Mar	47.05	47.97	46.95	47.92	+1.07
58.20	46.20	May	47.55	47.55	47.55	48.70	+1.00
57.00	47.50	Jul	48.50	48.50	48.50	49.00	+.50
51.00	45.67	Aug				45.60	
Est. Sales 1,919 Prev. Sales 2,161							
Prev. Day Open Int. 5,793 up 178							

Food

Season High	Season Low		Open	High	Low	Close	Chg.
COFFEE C (NYCSCE) 37,500 lbs.- cents per lb.							
113.50	79.60	Sep	80.90	80.90	79.80	79.95	—1.20
116.00	83.05	Dec	84.40	84.45	83.50	83.55	—1.20
107.50	86.25	Mar	87.75	87.75	87.05	87.10	—1.15
108.00	88.50	May	90.10	90.10	89.40	89.45	—.95
108.00	91.40	Jul	92.30	92.30	91.90	91.90	—.70
108.00	94.50	Sep	94.50	94.50	94.50	94.40	—.55
103.25	100.50	Dec				97.90	+.25
Est. Sales 6,574 Prev. Sales 4,275							
Prev. Day Open Int. 40,675 off 242							
SUGARWORLD 11 (NYCSCE) 112,000 lbs.- cents per lb.							
14.40	7.45	Oct	8.70	8.75	8.10	8.28	—.40
10.14	7.56	Mar	8.50	8.60	8.04	8.18	—.42
9.77	7.65	May	8.59	8.59	8.11	8.16	—.45
9.05	7.85	Jul	8.45	8.45	8.18	8.19	—.42
9.00	8.05	Oct	8.60	8.60	8.45	8.23	—.50
Est. Sales 47,796 Prev. Sales 25,487							
Prev. Day Open Int. 113,434 off 1,092							
COCOA (NYCSCE) 10 metric tons- $ per ton							
1515	893	Sep	1065	1077	1035	1044	—25
1535	953	Dec	1130	1140	1098	1107	—25
1538	997	Mar	1166	1175	1141	1150	—19
1385	1026	May	1194	1196	1167	1176	—20
1385	1056	Jul	1220	1220	1195	1198	—23
1256	1080	Sep	1241	1241	1220	1225	—19
1280	1119	Dec	1275	1276	1274	1274	—18
1320	1285	Mar	1305	1305	1305	1295	—20
1336	1210	May	1333	1333	1324	1318	—22
		Jul				1345	—30
Est. Sales 5,780 Prev. Sales 7,506							
Prev. Day Open Int. 57,431 up 961							
ORANGE JUICE (NYCE) 15,000 lbs.- cents per lb.							
127.00	106.00	Sep	116.30	116.50	115.95	116.20	—.50
121.00	111.00	Nov	115.50	115.75	115.35	115.40	—.40
120.50	113.40	Jan	115.50	115.50	115.15	115.15	—.35
120.80	113.60	Mar	115.90	115.90	115.50	115.50	—.40
120.00	115.00	May				115.65	+.15
119.00	116.00	Jul				115.80	+.30
		Sep				115.80	+.30
		Nov				115.80	+.30
Est. Sales 350 Prev. Sales 513							
Prev. Day Open Int. 5,935 up 22							

Metals

Season High	Season Low		Open	High	Low	Close	Chg.
HI GRADE COPPER (COMEX) 25,000 lbs.- cents per lb.							
109.00	96.10	Aug	102.50	102.50	100.70	100.70	—2.10
110.50	9.20	Sep	102.70	102.80	100.60	100.80	—2.10
106.90	95.30	Oct	101.40	101.40	100.10	100.30	—2.00
105.00	95.10	Nov	100.70	100.70	99.90	99.90	—1.95
108.50	94.50	Dec	101.30	101.50	99.40	99.50	—2.00
104.50	95.00	Jan	99.50	99.60	99.50	99.00	—1.90
105.10	95.00	Feb				98.50	—1.90
106.80	93.90	Mar	99.60	99.60	98.00	98.00	—1.90
99.10	92.50	Apr	98.30	98.30	98.30	97.55	—1.75
106.20	93.30	May	98.40	98.40	97.80	97.10	—1.60
97.50	95.10	Jun	97.70	97.70	97.70	96.65	—1.50
103.80	92.80	Jul	97.50	97.50	97.00	96.20	—1.45
103.45	92.80	Sep	96.40	96.40	96.00	95.40	—1.30
100.50	91.60	Dec	95.90	95.90	95.70	94.70	—1.30
93.45	2.50	Jan				94.40	—1.30
96.65	92.80	Mar				94.80	—1.30
		May				93.80	—1.30
Est. Sales 6,000 Prev. Sales 3,475							
Prev. Day Open Int. 32,770 off 433							
SILVER (COMEX) 5,000 troy oz.- cents per troy oz.							
446.0	380.0	Aug				395.3	—.7
654.0	367.5	Sep	398.0	398.0	396.0	396.5	—1.0
398.0	398.0	Oct				398.6	—1.0
623.5	374.0	Dec	404.5	404.5	403.0	403.2	—.9
596.0	402.0	Jan				404.7	—.9
613.0	382.8	Mar	411.0	411.0	409.0	410.0	—1.8
589.0	385.0	May	415.5	415.5	415.5	414.7	—1.0
557.0	395.0	Jul	420.5	421.0	420.5	419.4	—1.0
483.0	412.8	Sep				424.4	—.9
507.0	408.0	Dec	433.5	434.0	433.5	432.3	—.8
505.0	440.0	Jan				435.1	—.8
513.0	437.5	Mar	441.5	441.5	441.5	440.7	—.7
473.0	443.0	May	446.5	446.5	446.5	446.7	—.5
Est. Sales 18,000 Prev. Sales 6,535							
Prev. Day Open Int. 100,367 up 1,179							
PLATINUM (NYME) 50 troy oz.- dollars per troy oz.							
513.00	350.00	Oct	356.00	357.80	356.00	356.60	+1.40
451.50	355.00	Jan	361.00	363.00	361.00	361.30	+1.40
438.50	361.00	Apr	366.50	367.50	365.50	365.30	+1.40
427.50	376.50	Jul	372.00	372.00	371.80	369.30	+1.40
404.00	375.00	Oct				377.30	+1.40
Est. Sales 685 Prev. Sales 1,406							
Prev. Day Open Int. 18,964 up 114							
PALLADIUM (NYME) 100 troy oz- dollars per oz							
119.40	80.75	Sep	84.00	85.30	84.00	85.20	+1.70
114.50	82.50	Dec	86.00	86.25	86.00	86.40	+1.45
135.75	86.75	Mar	86.85	86.85	86.75	87.20	+1.70
101.75	89.95	Jun				88.80	+1.70
Est. Sales 146 Prev. Sales 216							
Prev. Day Open Int. 4,207							
GOLD (COMEX) 100 troy oz.- dollars per troy oz.							
468.00	353.90	Aug	358.10	358.10	357.70	357.50	—.90
375.00	355.50	Sep				358.50	—.90
476.00	356.90	Oct	360.50	360.90	360.00	360.20	—.90
483.00	360.20	Dec	363.70	364.20	363.40	362.80	—.90
456.50	363.70	Feb	366.70	366.70	366.70	366.80	—.90
446.00	367.30	Apr	370.10	370.50	369.90	369.90	—.90
467.00	370.80	Jun				373.10	—.90
426.50	376.50	Aug				376.40	—.90
410.80	379.00	Oct				379.70	—.90
406.80	381.80	Dec				383.20	—.90
404.20	404.20	Feb				386.90	—.90
410.00	388.50	Apr				390.50	—.90
411.80	394.30	Jun				394.30	—.90
Est. Sales 8,000 Prev. Sales 10,746							
Prev. Day Open Int. 100,547 up 599							

Financial

Season High	Season Low		Open	High	Low	Close	Chg.
US T. BILLS (IMM) $1 million- pts of 100 pct.							
94.79	91.60	Sep	94.75	94.77	94.74	94.76	
94.72	92.24	Dec	94.67	94.68	94.64	94.67	
94.62	93.42	Mar	94.61	94.61	94.59	94.61	
94.25	93.15	Jun				94.29	+.03
		Sep				93.83	+.04
Est. Sales 2,429 Prev. Sales 10,310							
Prev. Day Open Int. 57,184 up 1,353							
5 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
01.235	98.275	Sep	101.215	101.230	101.200	101.225	+.035
01.005	98.190	Dec	100.305	101.000	100.305	100.315	+.040
99.290	99.250	Mar				100.105	+.040
Est. Sales Prev. Sales 20,585							
Prev. Day Open Int. 87,454 off 956							
10 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
100-2	96-1	Sep	99-20	99-25	99-18	99-24	+6
99-8	95-15	Dec	98-28	99-1	98-28	99-1	+7
98-4	95-6	Mar	98-10	98-10	98-10	98-10	+7
Est. Sales Prev. Sales 21,271							
Prev. Day Open Int. 88,205 up 297							
US TREASURY BONDS (CBT) (8 pct-$100,000-pts & 32nds of 100 pct)							
99-5	85-29	Sep	96-6	96-12	96-2	96-12	+10
98-20	85-19	Dec	95-9	95-19	95-9	95-19	+11
98-13	85-14	Mar	94-17	94-27	94-17	94-27	+11
97-19	85-3	Jun	93-31	94-3	93-31	94-3	+11
95-8	87-14	Sep	93-10	93-14	93-10	93-14	+11
94-11	85-6	Dec	92-22	92-27	92-22	92-27	+11
94-26	90-16	Mar				92-9	+11
90-23	90-22	Jun				91-23	+11
91	90	Sep				91-6	+11
		Dec				90-22	+11
		Mar	90	90-7	90	90-7	+11
Est. Sales Prev. Sales 311,330							
Prev. Day Open Int. 318,540 off 6,129							
MUNICIPAL BONDS (CBT) $1000x index-pts & 32nds of 100 pct							
93-5	84-7	Sep	92-30	93-3	92-28	93-2	+6
92-8	88-16	Dec	92-1	92-3	92	92-3	+6
91-20	88	Mar				91-15	+6
Est. Sales Prev. Sales 1,368							
Prev. Day Open Int. 6,960 off 50							
EURODOLLARS (IMM) $1 million-pts of 100 pct.							
94.27	90.04	Sep	94.23	94.25	94.22	94.23	—.01
93.95	90.04	Dec	93.89	93.91	93.88	93.89	—.01
93.87	90.09	Mar	93.83	93.85	93.81	93.82	
93.48	90.35	Jun	93.47	93.48	93.45	93.46	+.01
92.99	90.32	Sep	92.98	93.02	92.98	93.00	+.03
92.47	90.24	Dec	92.49	92.51	92.48	92.49	+.03
92.39	90.28	Mar	92.38	92.40	92.37	92.38	+.02
92.18	90.27	Jun	92.15	92.16	92.14	92.14	+.01
91.94	90.27	Sep	91.90	91.93	91.90	91.91	+.01
91.66	90.22	Dec	91.59	91.62	91.59	91.60	+.01
91.66	90.24	Mar	91.61	91.64	91.61	91.61	
91.57	90.40	Jun	91.51	91.53	91.51	91.51	
91.52	90.36	Sep	91.40	91.41	91.39	91.39	
91.44	90.71	Dec	91.20	91.21	91.19	91.19	
91.25	90.75	Mar	91.24	91.24	91.20	91.22	
91.20	90.71	Jun	91.17	91.17	91.14	91.15	
Est. Sales 78,845 Prev. Sales 185,890							
Prev. Day Open Int. 877,846 up 7,765							
BRITISH POUND (IMM) $ per pound- 1 point equals $0.0001							
1.9140	1.5824	Sep	1.6866	1.6924	1.6800	1.6898	+38
1.7900	1.5670	Dec	1.6674	1.6720	1.6602	1.6696	+36
1.6700	1.5670	Mar	1.6522	1.6522	1.6522	1.6534	+38
Est. Sales 10,837 Prev. Sales 13,157							
Prev. Day Open Int. 21,246 off 71							
CANADIAN DOLLAR (IMM) $ per dlr- 1 point equals $0.0001							
.8718	.7985	Sep	.8693	.8699	.8692	.8698	+3
.8667	.8175	Dec	.8638	.8638	.8634	.8639	+3
.8630	.8268	Mar				.8586	+3
.8585	.8330	Jun				.8534	+3
.8480	.8420	Sep				.8485	+1
Est. Sales 1,061 Prev. Sales 2,766							
Prev. Day Open Int. 23,825 up 5							
GERMAN MARK (IMM) $ per mark- 1 point equals $0.0001							
.6810	.5401	Sep	.5770	.5788	.5743	.5780	+16
.6770	.5365	Dec	.5717	.5732	.5692	.5729	+17
.5840	.5353	Mar	.5684	.5685	.5684	.5683	+16
.5540	.5355	Jun				.5642	+16
Est. Sales 32,740 Prev. Sales 45,874							
Prev. Day Open Int. 73,020 off 2,522							
JAPANESE YEN (IMM) $ per yen- 1 point equals $0.000001							
.007870	.007003	Sep	.007314	.007321	.007297	.007314	+8
.007559	.006997	Dec	.007283	.007291	.007271	.007287	+8
.007315	.007000	Mar	.007280	.007280	.007280	.007275	+7
.007220	.007150	Jun				.007270	+6
		Sep				.007273	+5
Est. Sales 10,603 Prev. Sales 20,251							
Prev. Day Open Int. 61,460 off 2,807							
SWISS FRANC (IMM) $ per franc- 1 point equals $0.0001							
.8055	.6254	Sep	.6600	.6625	.6575	.6614	+26
.8090	.6240	Dec	.6563	.6570	.6543	.6580	+26
.6995	.6267	Mar	.6536	.6536	.6536	.6554	+26
Est. Sales Prev. Sales 36,117							
Prev. Day Open Int. 36,012 off 798							

Industrials

Season High	Season Low		Open	High	Low	Close	Chg.
COTTON 2 (NYCE) 50,000 lbs.- cents per lb.							
83.30	66.77	Oct	66.50	67.20	65.70	65.80	—1.35
76.35	63.75	Dec	67.61	67.70	66.80	66.95	—.85
77.15	64.65	Mar	69.00	69.15	68.50	68.73	—.60
92.25	65.10	May	70.20	70.20	69.70	70.00	—.35
77.70	66.50	Jul	70.70	70.75	70.40	70.85	—.05
70.60	68.00	Oct				67.75	—.70
69.00	67.20	Dec	67.95	67.95	67.50	67.65	—.35
Est. Sales 8,000 Prev. Sales 6,772							
Prev. Day Open Int. 40,875 up 950							
HEATING OIL (NYME) 42,000 gal- cents per gal							
84.20	50.25	Sep	60.20	60.50	59.75	60.12	+.12
85.00	51.30	Oct	61.25	61.45	60.75	61.13	+.15
78.00	52.30	Nov	62.40	62.45	61.90	62.20	+.09
82.62	53.30	Dec	63.30	63.45	62.80	63.12	+.06
68.50	53.40	Jan	63.60	63.90	63.40	63.35	+.10
62.40	52.25	Feb	62.15	62.20	61.60	62.00	+.10
59.80	51.40	Mar	59.60	59.75	59.10	59.40	+.10
57.65	50.90	Apr	57.40	57.40	57.40	57.20	+.05
56.00	48.25	May	55.80	53.80	55.80	55.40	+.05
55.20	48.00	Jun	54.70	54.70	54.70	54.60	+.05
56.00	51.40	Jul	54.40	54.50	54.40	54.20	+.05
55.00	52.75	Aug				54.80	+.05
56.00	53.75	Sep				55.80	+.05
		Nov				57.60	+.05
		Dec				58.50	+.05
Est. Sales 16,395 Prev. Sales 15,954							
Prev. Day Open Int. 123,795 up 3,718							
CRUDE OIL (NYME) 1,000 bbl.- dollars per bbl.							
28.72	16.90	Sep	21.71	21.82	21.40	21.49	+.07
28.40	17.04	Oct	21.58	21.71	21.51	21.59	+.08
28.10	17.20	Nov	21.45	21.57	21.41	21.49	+.10
27.70	17.10	Dec	21.27	21.43	21.26	21.34	+.10
27.60	17.25	Jan	21.15	21.23	21.15	21.20	+.10
27.00	17.50	Feb	21.05	21.09	21.00	21.06	+.10
26.75	17.25	Mar	20.90	20.93	20.85	20.91	+.10
26.50	17.50	Apr	20.78	20.80	20.66	20.78	+.10
24.60	17.30	May	20.57	20.57	20.57	20.68	+.10
24.50	17.70	Jun	20.55	20.63	20.55	20.62	+.10
22.11	17.90	Jul				20.58	+.10
21.33	17.75	Aug	20.50	20.50	20.49	20.57	+.10
24.00	17.78	Sep				20.58	+.10
21.35	18.85	Oct				20.60	+.10
21.40	19.80	Nov				20.62	+.09
24.00	18.25	Dec				20.64	+.09
20.91	20.10	Jan				20.66	+.09
20.83	20.58	Feb				20.68	+.09
21.26	18.51	Mar				20.71	+.09
21.35	19.90	Jun				20.80	+.09
Est. Sales Prev. Sales 58,611							
Prev. Day Open Int. 278,774							
UNLEADED GASOLINE (NYME) 42,000 gal- cents per gal							
87.00	51.60	Sep	70.00	70.40	69.50	69.69	+.21
86.75	49.75	Oct	64.90	65.25	64.25	64.52	+.32
66.75	48.60	Nov	61.70	61.90	61.25	61.22	+.13
75.25	47.75	Dec	59.50	59.80	59.05	59.22	+.12
58.80	47.00	Jan	58.65	58.65	58.20	58.22	+.12
58.75	50.70	Feb	59.00	59.10	58.30	58.34	+.09
59.35	50.50	Mar	59.40	59.60	59.50	59.29	+.09
63.40	57.30	Apr	63.20	63.30	63.20	62.84	+.09
63.00	57.30	May	62.80	62.80	62.80	61.99	+.04
62.00	58.00	Jun				60.99	+.04
61.20	58.60	Jul	60.25	60.25	60.25	59.84	+.04
59.10	58.00	Aug				58.59	+.04
Est. Sales 25,290 Prev. Sales 27,591							
Prev. Day Open Int.							

Stock Indexes

Season High	Season Low		Open	High	Low	Close	Chg.
SP COMP. INDEX (CME) points and cents							
396.05	304.00	Sep	387.80	389.80	386.40	389.30	+1.45
399.05	321.75	Dec	390.40	392.50	389.45	392.10	+1.55
401.05	380.00	Mar	395.00	395.00	395.00	394.90	+1.50
395.00	392.50	Jun				397.75	+.95
Est. Sales Prev. Sales 38,889							
Prev. Day Open Int. 151,899 off 935							
NYSE COMP. INDEX (NYFE) points and cents							
216.40	173.10	Sep	212.40	213.50	211.80	213.25	+.85
217.60	175.50	Dec	213.45	214.55	213.20	214.45	+.85
217.90	207.20	Mar	215.20	215.20	215.20	216.05	+.85
217.00	208.90	Jun				217.45	+.85
Est. Sales Prev. Sales 4,533							
Prev. Day Open Int. 5,340 up 13							

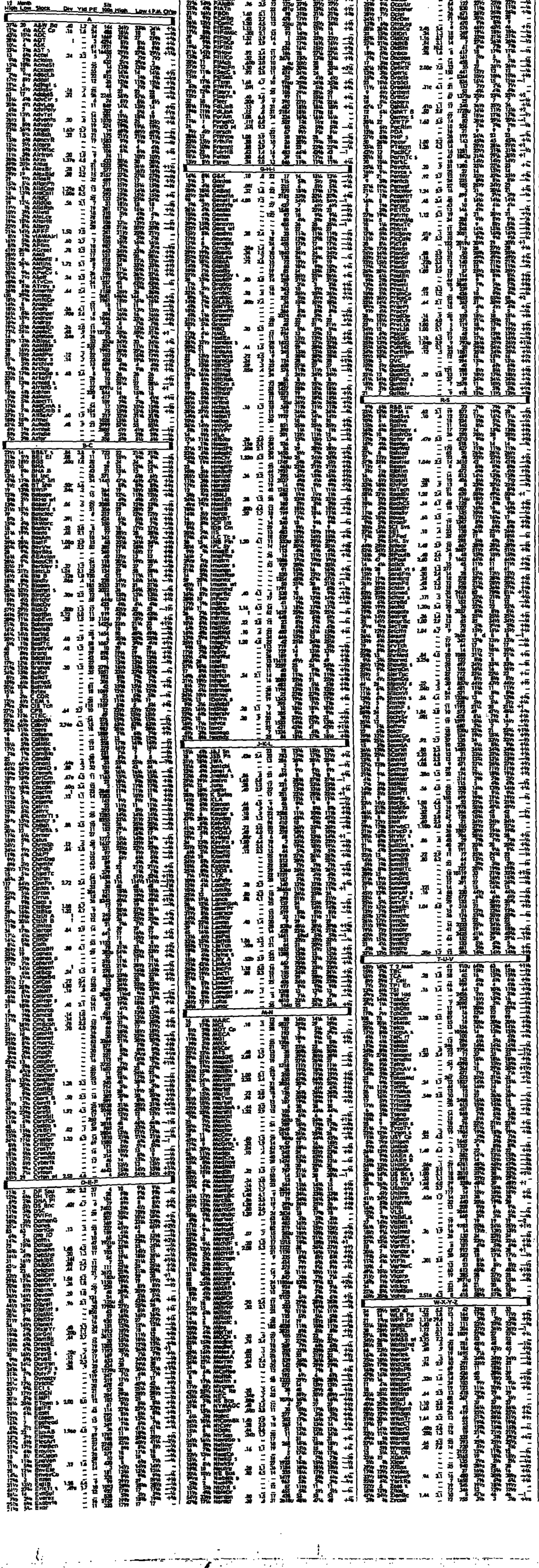
Commodity Indexes

	Close	Previous
Moody's	1,039.80	1,042.80
Reuters	1,659.40	1,660.70
Dow Jones Futures	121.40	121.89
Comm. Research	210.42	210.80

NASDAQ

Monday's Prices

NASDAQ prices as of 4 p.m. New York time. *This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.*



British Sales Grow Hefty 1.5% in June

Reuters

LONDON — British retail sales rose 1.5 percent in June, the government reported Monday, giving rise to hopes that the country's recession was coming to an end.

Consumer credit also increased in June, but by just £22 million ($37.4 million). The Treasury said this implied that consumers were repaying debts rather than significantly increasing borrowings.

The government statistics showed that lenders advanced £3.7 billion of new consumer credit in June, roughly the same as the average monthly amount in the first quarter of 1991.

Economists pointed out that sales fell 0.8 percent over the three months to June. But they said consumers could lead Britain out of recession by the end of the year.

"While we do not expect increases of this magnitude every month, we can see a modest improvement in sales over the next two to three months giving us a reasonably mild consumer-led recovery," said Robert Lind, economist at UBS Phillips & Drew.

The British government has said the economy will emerge from recession during the second half of this year led by consumer spending. The Conservative Party of Prime Minister John Major, which trails the opposition Labor Party in public opinion polls, is counting on an economic upturn to revive its forfunes before the next general election. The Conservatives must call an election by July 1992.

Britain's scope for interest rate cuts to boost the economy might be limited if, as is widely predicted, German rates rise when the Bundesbank meets on Thursday.

The retail sales figures, which are based on an index rather than actual sales numbers, suggest consumer confidence is in fact returning despite rising unemployment, according to economists.

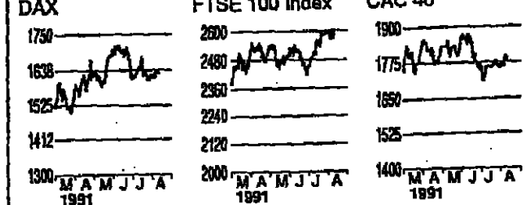
There were several economic reports over the weekend that gave mixed signals about the direction of the economy.

The Federation of Civil Engineering Contractors said only 4 percent of 162 companies surveyed expected a rise in employment.

Small manufacturers surveyed by the Confederation of British Industry said demand and output declined in the four months to July while business confidence remained weak.

But Oxford Economic Forecasting said the economy should recover from recession weakly in the second half of 1991.

Investor's Europe



Exchange	Index	Monday Close	Prev. Close	% Change
Amsterdam	CBS Trend	91.90	92.30	-0.43
Brussels	Stock Index	5,740.91	5,757.05	-0.28
Frankfurt	DAX	1,626.06	1,632.21	-0.38
Frankfurt	FAZ	675.89	677.37	-0.22
Helsinki	HEX	1,000.10	1,001.70	-0.16
London	Financial Times 30	2,005.20	2,005.50	-0.01
London	FTSE 100	2,569.40	2,570.00	-0.02
Madrid	General Index	270.11	270.18	-0.03
Milan	MIB	1,098.00	1,103.00	-0.45
Paris	CAC 40	1,780.38	1,783.54	-0.18
Stockholm	Affarsvarlden	1,071.70	1,070.90	+0.07
Vienna	Stock Index	514.16	516.13	-0.38
Zurich	SBS	631.50	633.00	-0.24

Sources: Reuters, AFP International Herald Tribune

Sara Lee Buys Unit From BTR

Compiled by Our Staff From Dispatches

LONDON — The British industrial conglomerate BTR PLC said Monday it has sold its Pretty Polly hosiery business to Sara Lee Corp. for £110 million ($187 million) in cash.

Proceeds of the sale will go to reducing BTR's debt, which stood at £994 million at the end of 1990, BTR said.

Last March, in announcing a 9 percent drop in its 1990 pretax profit to £966 million, BTR said it would be making major acquisitions. As a result, the sale surprised analysts.

Pretty Polly employs more than 1,900 in Britain and Ireland. Last year it achieved a pretax profit of £10.4 million.

The BTR chief executive, Alan Jackson, said the sale had the support of Pretty Polly's management.

Last week Sara Lee announced it was acquiring Playtex Apparel Inc., a U.S. maker of women's lingerie. Its existing hosiery brands include Dim in France and the U.S.-based Hanes. *(AFP, Reuters)*

LVMH Sales Up 3.8% Half

Agence France-Presse

PARIS — The luxury products group LVMH-Moët Hennessy Louis Vuitton said Monday that sales rose 3.8 percent in the first half of 1991 to 9.264 billion francs ($1.51 billion), compared with 8.923 billion francs in the first half of last year.

The company said it expected an increase in profit for the year because of a pick-up in sales in the second quarter. A profit of 3.375 billion francs in 1990 represented a 15 percent increase over the year before.

The cognac and spirits sector had the greatest increase in sales in the first half, up 14.6 percent at 2.813 billion francs. The company attributed the rise to buoyant demand in the Far East, particularly Japan.

Hungary's Jobless Rate Rises to 4.6%

Reuters

BUDAPEST — The number of Hungarians unemployed surged past 200,000 for the first time last month, the Labor Ministry said on Monday.

Official figures showed 218,000 people, or 4.6 percent of the work force, registered as out of work at the end of July, 32,000 more than at the end of June, when the unemployment rate was 3.9 percent.

The government, trying to put the economy on a market footing after four decades of central planning, expects the jobless total to hit 300,000 by the end of the year as firms forced to cope with the termination of the Comecon trading bloc and dwindling domestic demand cut staff or go out of business.

COMPANY RESULTS

Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.

Britain

BOC Group

9 Months	1991	1990
Revenue	2,968.2	3,116
Pretax Net	255.30	282.90
Per Share	0.318	0.3718

British Petroleum

2nd Quar.	1991	1990
Profit	240.00	53.00
Per Share	0.045	0.01

Standard Chartered

1st Half	1991	1990
Pretax Net	83.00	110.00
Per Share	0.104	0.144

Britain/Neth.

Unilever

2nd Quar.	1991	1990
Revenue	5,810.	5,700.
Pretax Net	468.00	479.00
Per Share A	0.1598	0.166
Per Share B	3.55	3.80
1st Half	1991	1990
Revenue	11,260.	11,050.
Pretax Net	840.00	848.00
Per Share A	0.2862	0.2892
Per Share B	6.27	6.09

A: Per share results of Unilever PLC in sterling; B: per share results of Unilever NV, in guilders. All other results in sterling.

Canada

Molson

1st Quar.	1992	1991
Revenue	762.03	665.51
Profit	39.34	37.04
Per Share	0.71	0.75

Japan

Pioneer

1st Quar.	1991	1990
Revenue	141,280.	141,670.
Profit	7,120.	9,720.
Per Share	39.64	55.25

Netherlands

KLM

1st Quar.	1991	1990
Revenue	1,886.	1,670.
Profit	135.90	41.40
Per Share	2.57	0.78

Sweden

SKF

1st Half	1991	1990
Revenue	13,790.	14,710.
Profit	63.00	1,340.

United States

Harris

4th Quar.	1991	1990
Revenue	814.00	819.40
Net Inc.	38.70	39.50
Per Share	0.79	0.99
Year	1991	1990
Revenue	3,266.	3,160.
Net Inc.	19.50	130.70
Per Share	0.50	2.20

Loews

2nd Quar.	1991	1990
Revenue	3,488.	3,095.
Net Inc.	290.70	192.90
Per Share	4.17	2.60
9 Months	1991	1990
Revenue	6,660.	6,070.
Net Inc.	426.70	416.60
Per Share	6.11	5.60

Pacific Enterprises

2nd Quar.	1991	1990
Revenue	1,560.	1,600.
Net Inc.	41.00(a)	229.0
Per Share	0.52	—

1st Half	1991	1990
Revenue	3,410.	3,510.
Net Inc.	165.00 (a)	161.0
Per Share	1.36	—

a: loss. 1991 nets include gain of $15 million.

Parker Hamilfn

4th Quar.	1991	1990
Revenue	604.70	649.10
Net Inc.	2.50	20.40
Per Share	0.05	0.68
Year	1991	1990
Revenue	2,440.	2,450.
Net Inc.	59.20	111.20
Per Share	1.23	2.28

1991 nets include charges of 24 cents per share.

Procter & Gamble

4th Quar.	1991	1990
Revenue	6,720.	6,220.
Net Inc.	304.00	284.00
Per Share	0.83	0.78
Year	1991	1990
Revenue	27,000.	24,100.
Net Inc.	1,770.	1,600.
Per Share	4.92	4.49

Sara Lee

4th Quar.	1991	1990
Revenue	3,840.	3,950.
Net Inc.	141.70	118.40
Per Share	0.57	0.48
Year	1991	1990
Revenue	12,380.	11,410.
Net Inc.	535.00	470.30
Per Share	2.15	1.91

Sun Microsystems

4th Quar.	1991	1990
Revenue	942.50	700.10
Net Inc.	66.40	49.10
Per Share	0.63	0.51
Year	1991	1990
Revenue	3,250.	2,470.
Net Inc.	190.30	111.20
Per Share	1.85	1.21

Sysco

4th Quar.	1991	1990
Revenue	2,150.	1,960.
Net Inc.	44.40	36.60
Per Share	0.48	0.42
Year	1991	1990
Revenue	8,150.	7,390.
Net Inc.	153.00	132.00
Per Share	1.67	1.45

TV: *The French Government Script*

(Continued from first finance page)

adapted to business realities," said Jessica Josephson, editor and publisher of European Media Business & Finance, a London-based industry newsletter.

Indeed, Jacques Boutet, president of the Conseil Superieur de l'Audiovisuel, the agency that oversees the industry, said the business problems facing television were not the government's concern.

"When the government decided to open and expand television in France, it was for the purpose of providing cultural pluralism with a wider range of quality programs, not to make profits," Mr. Boutet said.

To protect the creative interests of the powerful French movie industry, the government severely restricts commercial interruptions on the five no-fee broadcast channels.

Only one commercial break of about four minutes is allowed during movies on the three private networks. The two state-owned channels are not permitted to interrupt movies at all.

In addition, large categories of advertising are prohibited, partly to protect the advertising in French newspapers.

For example, all retailers — from auto dealers to department stores — are banned. Retail commercials, Mr. Le Lay estimates, could generate more than $100 million in revenues. Also banned are commercials for tobacco products, beer, wine, movies and books.

"In terms of product advertising on television, France operates the most restrictive system in Europe," Ms. Bakker said.

The government is also insisting that French programs — and in a larger sense, French culture — not be slighted in favor of American shows.

In 1989, 47 percent of the fiction programs broadcast on French television were American, while only 35 percent were of French origin. Among the more popular American programs in France in the last season were "Twin Peaks," "The Cosby Show" and "Santa Barbara," as well as "Miami Vice" and "L.A. Law."

French producers have countered with such programs as "Navarro," a top-rated police detective series, and "Sebastien, C'est Fou," a popular variety show, both on TF1.

Producers in France remain at a disadvantage because their productions generally cost far more to make than Hollywood charges for broadcast rights to its programs. Unlike Hollywood, French producers have a limited overseas market.

As such, many in the industry have criticized government quotas that require a high percentage of programs to be of French origin.

The government wants at least 40 percent of the programs broadcast on the five no-fee channels to consist of series or documentaries shot entirely in French. The new rules take effect in January.

Producers have said the tighter quotas would scare away potential foreign partners, who would buy the overseas rights. Under the quotas, many programs would have to be dubbed or reshot in a second language to be sold abroad, increasing production costs sharply.

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NYSE

Monday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued on next left-hand page)

NYSE Highs-Lows

NEW HIGHS 89

AmSouBcp BallCp BkBoston BkBos adl pf
BkBos adl pf BkBos adl pf BankNY BarnettBks
BarnettBk pf Berkshn Hathi C&S Sovran CV REIT
CdleltPd CdleltPfI ChiefEnt ChngEl El
ChrG 475pf ChrG 930pf ClevEl pfA Comerica s
CwE 1170pf ConEd 465pf CrthCreAm DQE
DeltaWood Dispanatek Disonic s DominResc
FPL Grp FstBkSy FstFldBc FstFldBcp pfB
FstFinFd FstInIrstA Gap s GPU s
GenRod Getschalk GreenTree HmeBS s
III Power IllPw 420pf ImGameTch s IGame wi
Kaiser s LaPL pf LSB&E Enpy LaserMtr
LiL Cp pfE MellonBk MetroFin pf MilHempe
MuniRisk n NBD NIPSCO MunyPlsn
NovaMed n NovaMedI OhioEd pf OldRepInt PNC Fin pfC
PhilaEl 7pf PhlpRegBk n PotomEl PotEl 300pf
ProsTrAm PusSdPL RussBerr SealtdAir n
SearsRoeb SouCpEn pf SdCpnCp SnteaVC pr
SpectraS s TmcGPL 844p TylerCorp UJB Fncl
UJB Fncl pf Unifi Union Elec UtiliCorp
UtiliCo 244p VaEIP 5pf WabRR pf WestpacBk pf
Whitakr n

NEW LOWS 19

ANR 267pf CanalCapit EastnEnt wiFinevest
GnMotr prP GtABk KaiserAlum n Kyocera
MerrihtNtl ONEOK Philelnds n ShwegiGas
SwiftEnrgy TWA pf USFG pf C UsairGp
UsairG pf WshnWste WestghEl s

AMEX Highs-Lows

NEW HIGHS 25

AmTr-bmy un AmTr-s brm DonnelyCp FtAustPr
FtEmstrSt FranklinCp Kmark Co Lumex
MeltrAbbA MeltrWbb MichelSty NtlHlthCp
NimbusFin PGE 13Pr8 PGE 250stP PGE 1Pr6fM
PGE 340pfK PicoProd Polyphase n PortleSys s
SCE 120pf SCE 850pf Teleflex s USFG Pac
VircoMf

NEW LOWS 13

AmTr-on sc AmTr-dow sc AmTr-ek sc Colprop
vIEAL 284pf FrtesEnt GranadaBio HallwdRtv n
NHI Net s RoyPalmCal Tenera VermntResh
Vitronic

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SHOPPING IN THAILAND

Treasures of the Kingdom

Drawing on the Cultures Of Ancient Southeast Asia

For decades, shoppers have focused on the products of Thailand's northern and central regions. Now, a new generation of intrepid bargain hunters is discovering unique gift and home-decor items in the northeast and southern corners of the kingdom.

The new popularity of Thailand's Northeast and South reflects a growth in the number of tourists seeking an alternative to Thailand's better-known sights.

The Northeast's attractions are primarily historical, with the accent on ancient cities that flourished eight or more centuries ago. Its life and culture are influenced by the two countries that border it: Cambodia to the east, and Laos across the Mekong River to the northeast.

Bronze Age whorl designs are used on modern pottery

Cambodian craftsmanship is found in the beautiful temples built in Thailand under the brilliant Khmer civilization, which created the Angkor Wat complex in the 11th and 12th centuries. Located mainly in the vicinity of Nakhon Ratchasima and Surin, they include the temple complexes at Phimai, Phanom Wan, Phanom Rung, Muang Tam and Phra Singh.

Even older than the Khmer temples is Ban Chiang, near Sakhon Nakhon. A Bronze Age culture thought to date from 3000 B.C., its craftsmen produced not only metal art objects but also a variety of superbly decorated pottery. Its whorl designs have been incorporated into modern pottery items, which have found wide popularity among ceramics collectors.

While the modern Cambodian influence is evident primarily in silver art objects, strong Laotian traits are woven into the unique patterns of silk and *mudmee* cloth. Laotian influence is also found in basketry items and in cuisine that includes barbecued chicken and fiery salads, which have become popular in all regions of Thailand.

Thailand's narrow southern peninsula bears the imprint of Malay culture. Its main attraction for visitors is its stunning beaches, notably those off the western coast on the Andaman Sea.

From an island inhabited by fishermen, tin miners and rubber planters, Phuket in the past decade has grown into a major beach resort offering more than 10,000 hotel rooms. Its popularity over similar resorts in Asia lies in its beautiful soft sand beaches, its warm waters and its dining, sports and nightlife facilities.

As Phuket develops, nearby areas are opening up to visitors, Phi Phi islands and the Krabi region with its many isolated beaches are now within a three-hour boat ride from Phuket. Drawing equal attention is Samui island in the Gulf of Thailand and, to a lesser extent, the quieter, older seaside resorts of Songkhla farther south, and Hua Hin and Cha-am near Bangkok.

Pearls, pewterware and a wide range of beachwear are joining traditional crafts like kites, batik, basketry and ceramics to lure shoppers to the South, where proximity to product sources offers better bargains than in Bangkok.

Gifts From the Land, Gifts From the Sea

The products of the Northeast and the South are as different as the cultures that influence them. From delicate silks to intricate metalwork, from iridescent pearls to bamboo basketry, Thailand's far-flung regions offer many distinctive items for those in search of mementos.

By far the most popular items are Thai silk and *mudmee*. Thai silk is sold in many different colors and patterns, its hallmark being tiny nubs that give it a characteristic texture. Crumpling it produces hills and valleys and gives it a two-tone sheen.

Unlike the sheer Indian silks and the shiny Chinese patterned silks, Thai silk is a thick cloth that lends itself both to clothes and to home-decor use. To render it more supple, silk yarn is often woven on a woof of man-made yarn. In deference to modern tastes, a smooth, nubless type is also produced.

Thai silk is cut into suits, blouses, ties and scarves. It is also used to cover everything from purses to picture frames. Lengths printed with elephant, bamboo, floral and dozens of other motifs are turned into decorative throw pillows.

Mudmee is a variety of silk unique to the Northeast. Unlike Thai silk, with its bright colors, mudmee's hues are somber. Its yarns are tied before being dipped into dye vats. The dyed threads are then woven by an intricate process into patterns whose outlines are softened, almost blurred. Her Majesty Queen Sirikit has promoted use of the fabric by wearing *mudmee* garments on state occasions and during foreign visits. Chemical dyes are often substituted for natural dyes to brighten the colors and make them colorfast.

Cotton grown in the Northeast is spun into fabrics in factories and studios there and in the vicinity of Bangkok. Well-suited to hot weather, it is popular for shirts and dresses in a spectrum of colors and prints. Coarse cotton cloth is turned into bedspreads, placemats, coasters and other items.

Of Laotian derivation are the Northeast's sarongs and *teen jok*, with delicate yet distinctive designs. Often woven in geometric patterns using gold thread on maroon, blue or dark-green silk, the sarongs can be spread out to serve as wall hangings.

The teen jok borders of the sarongs are woven separately on special looms. The thick borders combine brightly colored yarns and gold thread to create works of art that find their way into cloth collections. There is also a thriving market in antique cloth and teen jok.

In both the Northeast and the South, villages produce various practical articles woven of reeds, rattan, bamboo and grasses. Crafted for village use, the items include food-storage baskets, fish traps, rice containers and others, all of which make attractive home-decor pieces. Imaginative decorators transform them into lamp bases and storage boxes. Export objects include colorful mats, handbags, letter holders, tissue boxes and slippers.

Thai nobles owned nielloware objects

If the Northeast is associated with soft products, the South produces more solid stuff. Pearls, pewter and nielloware are its principal commodities. To a lesser extent, seashells, batik, clothes and traditional craft articles are available.

Thailand is the world's third-largest tin exporter, with most of the metal mined in the waters off Phuket. Tin is the prime ingredient in pewter, an old craft here. Phuket shops sell finely turned steins, plates, clocks and other items at prices below those offered elsewhere.

Nielloware is said to have originated with the 17th-century Portuguese traders who visited the southern town of Nakhon Si Thammarat, where the art subsequently became associated with royalty. Thai nobles owned nielloware pedestals and trays as symbols of their exalted positions.

To create nielloware, a design is etched in silver (and sometime gold) boxes and receptacles. The background is cut away and filled with an amalgam of dark metals, leaving the figures to stand in high relief against the dark-gray background.

Phuket specializes in beautiful seashells netted by its fishermen. Shells are sold to collectors or fashioned into gift items. *Nang thalung* shadow puppets cut from buffalo hide make lovely wall decorations.

Batik is a southern specialty. Influenced by the designs and techniques of Malaysia and Indonesia, Thai batik artists have expanded the art to include paintings and practical items with batik motifs.

Among the most beautiful southern crafts are the *yan lipao* articles. This ancient art weaves thick grasses in delicate patterns to create purses and bags for formal occasions. Photographs of Queen Sirikit on overseas visits often show her carrying a yan lipao purse. Although expensive, the bags are durable, retaining their beauty for years.

The South is becoming known for its beachwear in cottons and other soft fabrics. Clothes for men and women are sold off the rack in the major resorts for such low prices that one can wear them for the duration of a vacation and discard them on leaving.

Thai Village just outside of Phuket town offers daily southern Thai cultural shows. In the arcade just outside, artisans demonstrate how to make nang thalung puppets, metal objects and other crafts.

Where to Buy Jewelry, Silk and Craft Items

Shopping in the Northeast is limited to markets and small stores in Nakhon Ratchasima, Khon Kaen, Udon, Nong Khai, Surin and Ubon; most silk and basketry products are sent for sale in Bangkok shops.

Shopping facilities are more developed in southern beach resorts. The streets of Phuket town are lined with shops offering jewelry, shell products and souvenir items. Each resort town has shops selling beachwear and a few gift items. In recent years, larger emporia selling a representative sampling of products — including many from the northern and central regions — have sprung up to serve a growing clientele. Those in Phuket lie along Highway 402.

Shinawatra Thai Crafts on the main highway specializes in Thai silk, but also sells leather goods and gift items.

Thai Village, noted above, sells southern crafts. Cheewa Handicraft Center devotes the majority of its shelf space to Chiang Mai and Central Thailand products, but also sells southern crafts, including *nang thalung*, batik, pearls, shells and shell baubles.

Phuket Seashell Co. offers shells and shell products like lamps, nightlights, ashtrays and knickknacks.

On Samui's major beaches, boutiques sell casual clothes and souvenir items.

American Express, VISA, MasterCard and Diners Club credit cards are accepted at large shops in Phuket and Samui. Many shops levy a surcharge of up to 5 percent for their use; ask first.

Thai law prohibits the export of Thailand-made Buddha images and other art treasures. Ask before buying.

Shops can wrap, document, insure and ship almost any item. For small pieces, post-office branches sell sturdy cardboard boxes and will assist with mailing procedures.

This advertising section was written by Steve Van Beek, author of "The Arts of Thailand."

Photos top right and bottom left by Steve Van Beek. Others by Photobank.

Pearls From the Blue Waters Off the Coast of Phuket

The warm, nutrient-rich waters of the Andaman Sea have spawned a burgeoning industry that is now supplying lustrous pearls to jewelers around the world.

Phuket, also known as the Pearl of the Andaman Sea, produces international-standard natural, cultured, Mob (teardrop) and artificial pearls made from pearl dust glued to form a nacreous globule.

The farms that create them lie in the sheltered waters of Phang-nga Bay, between Phuket and the mainland. They welcome visitors to observe first-hand how these glowing gems are cultivated.

Tours normally begin at the town of Ao Po on the northeastern coast of Phuket facing Phang-nga Bay. Phang-nga is known for its sheer limestone monoliths, which rise hundreds of meters from the sea, creating scenery that seems to be a hybrid of Chinese brush paintings and the Norwegian fjords.

The best-known farm is the privately owned Naga Pearl Farm on Naga Island, a few minutes from Ao Po. There, technicians demonstrate how tiny "seeds" of foreign matter are implanted along the inner shells of oysters the size of two hands.

The birthplace of the largest pearl

Just offshore are grids of growing frames that are barely visible above the sea's surface. An implanted oyster is lowered into a frame where, for the next few months, it responds to the irritating "seed" by secreting a nacreous substance around it that eventually becomes a pearl. Experts demonstrate for visitors how the finished pearl is removed from its shell, graded and marketed.

The Naga Pearl Farm claims the distinction of having produced the world's largest pearl. It displays a replica of the original, which is now in the Mikimoto Pearl Museum in Japan.

The farm's shop sells loose pearls and simple jewelry, but many visitors prefer to browse through shops on Phuket town's main streets, where the pearls have been set in gold jewelry of superb design.

Just a Hop, Skip and Jump

To make shopping in the South and Northeast even easier, Thai Airways International offers a special travel ticket during 1991. For just $219, visitors can fly to any four of THAI's 23 domestic destinations. If desired, extra destinations can be added for $45 each. The ticket must be purchased before the traveler's arrival in Thailand, either at a travel agency or any of THAI's offices worldwide.

U.S. Chemical Makers Seek Better Image

By John Holusha
New York Times Service

NEW YORK — U.S. chemical makers, troubled that the public associates them with toxic waste dumps, poisonous spills and carcinogens, are cranking up a $10 million advertising and communications campaign to convince people that chemical plants are run by friendly, responsible people.

It is part of an industrywide effort led by the Chemical Manufacturers Association to rebuild the industry's image.

The trade group, which represents the makers of 95 percent of the chemicals produced in the United States, has begun a "responsible care" program that requires manufacturers to clean up their acts or leave the group.

In addition to adopting a set of general safety guidelines, plant managers are being encouraged to reach beyond the front gates and into the local communities to ease fears that chemical plants are lethal accidents waiting to happen. The association is encouraging managers to organize plant tours and public events to explain their operations.

In the last two years, surveys have shown that the public does not have much confidence in the chemical industry. Concerned that the public associates it more with the lethal gas leak seven years ago in Bhopal, India, and the polluting of the Love Canal area of Niagara Falls, New York, than with economic growth and helpful products, the chemical industry wants to be seen in a better light. More important, it wants to head off more stringent government regulation.

In the last two years, surveys have shown that the public does not have much confidence in the chemical industry.

"We said, 'Look out, guys. We are going to end up in worse shape than the atomic industry if we don't do something,'" said John W. Johnstone Jr., chairman of the trade association and of Olin Corp., a chemical maker based in Stamford, Connecticut.

He said the public's low opinion of the industry came as something of a shock to chemical company executives. "We thought of ourselves as righteous and very successful," he said.

A Roper Organization survey conducted last year for a chemical manufacturer, S.C. Johnson & Son Inc., of Racine, Wisconsin, found that only 8 percent of people polled thought business would develop new, more environmentally safe products.

And 72 percent of the respondents favored additional government regulation and strict enforcement.

In 1989, a survey commissioned by the Chemical Manufacturers Association showed that people regarded the industry as less environmentally responsible than either the nuclear or petroleum industries. Only tobacco was considered worse.

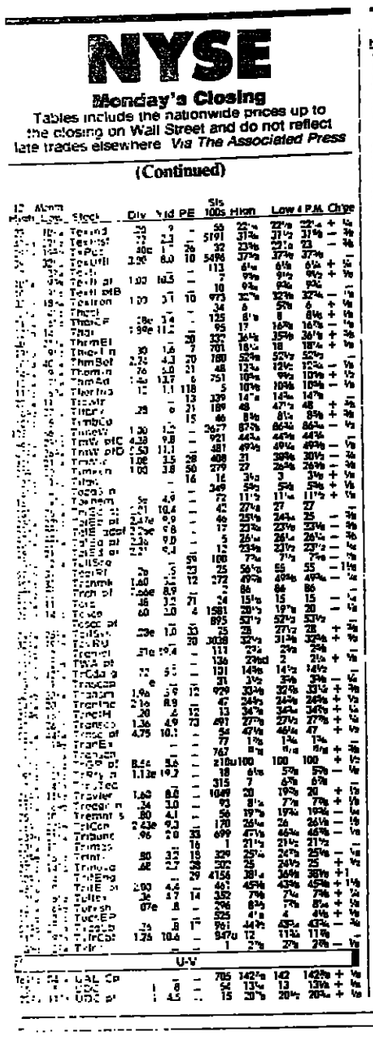
Environmental groups say they are skeptical of the chemical group's image-improvement efforts and they criticize its "responsible care" program as too vague.

NYSE

Monday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

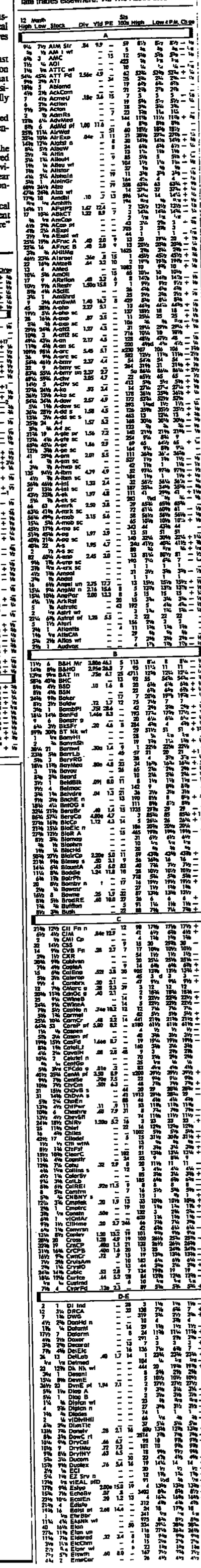
(Continued)

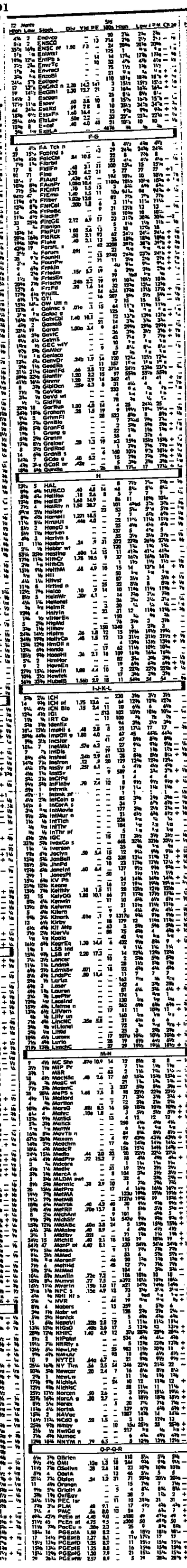


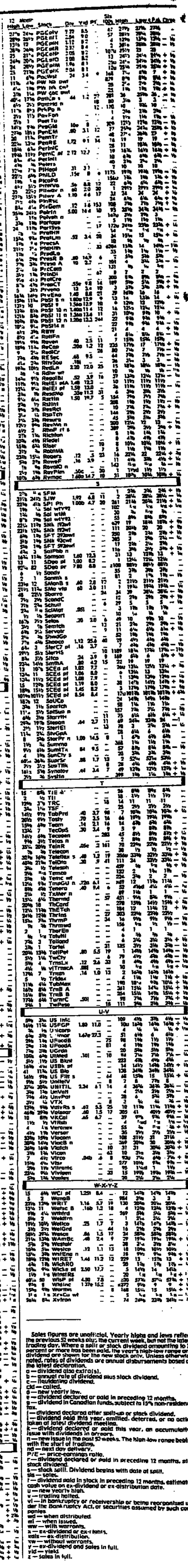
AMEX

Monday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*







REACHING THE EUROPEAN LEADERSHIP

Board Members of International Companies*

%

International Herald Tribune 40
Financial Times 35
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The IHT is read by more Continental European board members listed in the international edition of Who's Who than any other international publication.

* Source: Who's Who in Europe Survey: 1990

International Herald Tribune
Published With The New York Times and The Washington Post

Hualon Se
For H.K.

Bank Is Calm
In Hong Kong
Following Run

Hualon Said to Bid For H.K. BCCI Unit

Reuters

TAIPEI — Taiwan's Hualon textile group is bidding to buy the Hong Kong subsidiary of the Bank of Credit & Commerce International, a spokeswoman for the group said on Monday.

"A Hong Kong subsidiary of our group is bidding for BCC Hong Kong," the spokeswoman said by telephone. She declined to give any further information on the bid.

Hong Kong authorities closed the Bank of Credit & Commerce Hong Kong on July 8 after its parent was hit by allegations of fraud. The parent's operations have been shut down by authorities around the world.

A liquidator has been appointed to BCCHK and are looking for possible buyers of the bank. Media reports have said the Hong Kong government has met with several parties to discuss a purchase of the bank, but no buyer has been announced.

Hualon, which securities analysts say is among Taiwan's 10 biggest corporate groups with assets of about 45 billion Taiwan dollars ($1.7 billion), is headed by Oung Ta-ming, who is now on trial over a multimillion-dollar stock scandal.

Depositors in BCCHK have been told they would receive the higher of 25 percent of their deposits or a maximum of 500,000 Hong Kong dollars ($64,000) back, and would likely get a higher proportion on liquidation.

But in an interview published in the Aug. 12 edition of The Journalist, a leading local news magazine, Mr. Oung said he believed BCCHK was "still lucrative".

"I believe its assets can cover its liabilities," he was quoted as saying.

Under Hualon's takeover plan, depositors with more than 1 million Hong Kong dollars in the bank would not be able to withdraw their money but would be made shareholders, Mr. Oung said.

Small depositors would be paid in full.

Mr. Oung said the possible loss of Hualon's own deposits now frozen in BCCHK, 30 million Hong Kong dollars, would not hurt the group because they were "a trifling amount hardly worth mentioning".

The Hualon group recently applied for a license to set up its own commercial bank in Taiwan, but authorities rejected the application, saying it did not meet regulators' funding requirements.

Bank Is Calm In Hong Kong Following Run

The Associated Press

HONG KONG — Business was back to normal Monday at Standard Chartered Bank, where depositors had withdrawn $385 million in a panic run that officials blamed on rumors intended to undermine Hong Kong's banking system.

A spokesman for Standard Chartered said there was no unusual activity at any of its branches that were hit by heavy withdrawals Friday and Saturday.

David Nendick, Hong Kong's secretary for monetary affairs, blamed the run on "an orchestrated campaign by people determined to destabilize banks in Hong Kong."

He suggested that angry depositors of the Hong Kong branch of the scandal-ridden Bank of Credit & Commerce International, which was shut by the government on July 8, may have been responsible.

A spokesman for the bank's depositors on Friday denied Mr. Nendick's allegation and said the run on Standard Chartered, and minor runs earlier on branches of the U.S.-based Citibank, reflected public mistrust of the government for closing the BCCI unit two days after assuring depositors it was sound.

Tokyo Warms to Freeing Fees

By James Sterngold

New York Times Service

TOKYO — Several leading figures in the ruling party have suggested for the first time that the best solution to the scandals in the Japanese financial markets may be to permit more competition among brokers.

The head of a policy-making council in the Liberal Democratic Party, Mutsuki Kato, and three party groups formed to evaluate financial changes have separately called for the removal of fixed commission rates on large stock transactions, according to media reports.

Prime Minister Toshiki Kaifu, who is under political pressure to demonstrate that he is dealing effectively with the scandal, was quoted by news organizations as endorsing the idea.

The proposal would amount to a revolution in Japan's troubled financial-services industry, which has long enjoyed the government's acquiescence in limiting competition.

Fixed commissions have been regarded as sacred in Japan, even though they were eliminated more than 15 years ago on Wall Street and 5 years ago in London.

Outside of Japan, fixed commissions are generally regarded as an anti-competitive subsidy of securities firms. Inside the country, they are described as a means of assuring that small brokerage houses can survive.

Political backing for an end to fixed commissions from high levels of the ruling party does not guarantee that the new proposal will be enacted, but the idea already appears to have won some support within the Finance Ministry.

The scandal, in which brokerage houses reimbursed clients for stock-trading losses, has put the ministry on the defensive. It faces charges that it was lax in its oversight of the brokerage industry and that it has developed too cozy a relationship with securities firms, where many bureaucrats work after they retire from government.

Ministry officials have admitted that they knew for more than a year that Japan's brokers had improperly compensated favored clients.

Nearly two dozen firms have said they improperly paid more than $1 billion to cover the losses. Although paying compensation to clients is technically not illegal in Japan, promising to do so is a violation of the law. The securities houses have denied offering advance guarantees, and the Finance Ministry has taken them at their word.

The ministry has been struggling to fend off suggestions that an independent oversight agency be created, which would seriously dilute the ministry's considerable power.

Since the new proposal for greater competition on commissions might appease the ministry's critics without reducing its influence, some top officials have already embraced it.

The proposal would also mark a rare instance in which the ministry solved a problem through market forces rather than administrative dictates.

The proposal to end fixed commissions was among dozens made in the last week, but it stood out because it would remove one of the incentives behind the current scandal: It would permit brokers to compete on price and performance, rather than by offering illicit guarantees to clients.

The creation of a new market regulator — similar to the Securities and Exchange Commission in the United States — has been urged by some business leaders. The Finance Ministry now controls all financial industry regulatory functions.

As an alternative, the ministry has suggested setting up an inspection agency within the ministry, made up of current inspection staffs from the banking, securities and international finance bureaus.

In another step, the prime minister has called for an end to the secretive and informal means, known as administrative guidance, that the ministry uses to regulate brokers. Under this method, directions are generally given orally rather than by identifiable written regulations that are open to all.

Hanoi Amendments Light on Socialism

Reuters

HANOI — Proposed amendments to Vietnam's constitution drop most references to socialism, reflecting the country's shift to a market economy, delegates to the National Assembly said.

"Before, we always referred to socialism and the movement of socialist construction to build the country. But now we don't see that it's necessary," Phung Van Tuu, an Assembly deputy chairman, said in a recent interview.

Those who helped draft the amendments in the parliamentary session that ended on Monday said they reflected Vietnam's shift from a centrally planned to a market economy since the last constitution was written in 1980.

Under the 1980 constitution, the state plays Vietnam's main economic role. Mr. Tuu said the new amendments described the state as just one of several key players including private companies and collectives.

The draft rewrites much of the constitution's economic section, from articles 15 to 29, dropping negative references to capitalism, said Mr. Tuu, a lawyer and secretary-general of the Jurist Association of Vietnam.

The draft amended constitution resembled Ho Chi Minh's 1946 constitution, which contained no reference to socialism or communism and ensured freedom of speech, press, religion and assembly, sources said.

Trade Aids Economy In Taiwan

Agence France-Presse

TAIPEI — Taiwan's stepped-up foreign trade and increased investment interest will propel the island's economic growth to 6.9 percent this year, economic officials said Monday.

Expanded overseas demand, especially since the end of the Gulf war, boosted Taiwan's exports, which revived industrial production, officials at the Directorate-General of Budget, Accounting and Statistics said.

Exports in the January-July period grew 13.5 percent to $43.25 billion and imports edged up 14.5 percent to $36.33 billion. The $6.92 billion surplus was an 8.6 percent rise from the previous year.

The budget office raised its estimate for economic growth this year to 6.9 percent from a previous 6.06 percent, with a potential to surpass 7 percent, the officials said.

In addition to strong exports, widened domestic demand spurred by a six-year national construction program beginning this year will contribute substantially to the growth forecast, they added.

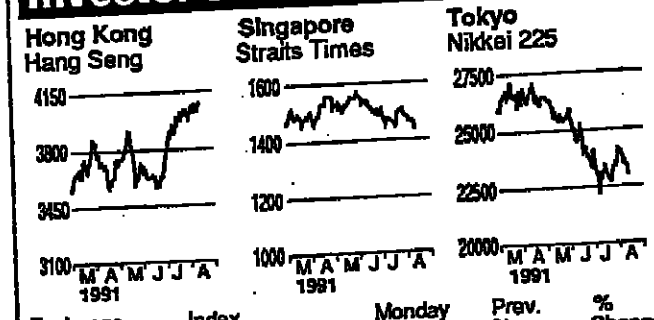
The country recorded an eight-year-low 5.02 percent growth rate last year because of a collapsed stock market, reduced investment and depressed consumption, all exacerbated by the Gulf crisis.

■ **Seoul Budget to Rise 24%**

The South Korean government will propose a 33.4 trillion won ($45.8 billion) budget for 1992, a 24 percent rise that has economic and defense officials arguing over priorities, Agence France-Presse reported from Seoul. Yonhap, the the national news agency, said the cabinet will send the budget to President Roh Tae Woo by Aug. 23 for his approval.

The planning agency said the increased spending is needed to cover inflation and public works, but the Defense Ministry is said to be unhappy with its 12.3 percent increase. Defense officials want at least a 24.7 percent increase for modernization and to raise the pay of noncommissioned officers.

Investor's Asia



Exchange	Index	Monday Close	Prev. Close	% Change
Hong Kong	Hang Seng	4,070.14	4,024.01	+1.15
Singapore	Straits Times	1,440.08	1,462.58	-1.54
Sydney	All Ordinaries	1,565.70	1,584.30	-1.17
Tokyo	Nikkei 225	22,985.67	23,434.62	-1.92
Kuala Lumpur	Composite	558.10	565.43	-1.30
Bangkok	SET	Closed	702.92	-
Seoul	Composite Stock	706.06	721.58	-2.15
Taipei	Weighted Price	5,157.66	5,207.01	-0.95
Manila	Composite	968.86	975.37	-0.67
Jakarta	Stock Index	337.64	331.97	+1.71
New Zealand	NZSE-40	1,437.20	1,455.70	-1.27
Bombay	National Index	N.A.	796.43	-

Sources: Reuters, AFP — International Herald Tribune

Malaysia Rates Seen Rising After Boost by Top Bank

Reuters

KUALA LUMPUR — Malaysia's biggest bank, Malayan Banking Bhd., raised its base lending rate Monday to 8.0 percent from 7.75 percent in a move analysts expected would spark a fresh round of rate increases.

Analysts said the base rate could hit a five-year high of 9.0 percent by the end of the year as banks responded to government pressure to drive market rates up in an effort to cap inflation.

"This upward revision is based on current overall costs, including the prevailing cost of funds in the interbank money market," Managing Director Ahmad Mohamad Don said of Malayan's rate increase.

Interbank rates rose about half a percentage point last week after the central bank, Bank Negara, intervened in the market to mop up funds. Analysts say Bank Negara wants interest rates to rise to fight off inflationary pressures, check the weakening ringgit and improve the country's ballooning current-account deficit.

Most banks raised their base rates in April after Bank Negara allowed them to set their own rates as part of efforts to free the finance sector.

Previously, the base rate was pegged a quarter percentage point above those of Malayan Banking and Bank Bumiputra Malaysia Bhd., the top two local banks, whose base rates are controlled by the central bank.

Analysts said Malayan Banking would continue to set the direction for the base rate, which now ranges between 7.5 percent and 8.25 percent.

"With three-month interbank rates hovering around 8.0 percent, I expect other banks to raise their BLR again," said Chan Wan Kee, head of research at OSK Research Sdn Bhd.

ADVERTISEMENT

INTERNATIONAL FUNDS

Aug. 12, 1991

Quotations supplied by funds listed. Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price. The marginal symbols indicate frequency of quotations supplied: d - daily; w - weekly; b - bi-monthly; r - regularly; t - twice weekly; m - monthly

ABACUS FUNDS
w Abacus Fund Ltd $ 7.56
b Abacus Guart.Fd.Mar 94 $ 8.89
b Abacus Guart.Fd.July 95 $ 9.81
ABC INVESTMENT & SERVICES CO (E.C.)
m ABC Futures Fund Ltd $ 108.54
ABN BANK LDB, P.O. Box 669, Amsterdam
w ABN-Aandelenfonds Fl 79.85
w ABN-Beleggingsfds Ned. Fl 61.59
w Aldollar $ 23.90
w Alrento Fl 184.50
w America-Fund $ 186.97
w Asian Tigers Fund $ 32.08
w Columbia Securities Fl 125.55
w LDC Risk Inv. Fund $ 1287.73
w Trans Europe Fund $ 40.82
w Trans Europe Fund Fl Fl 79.37
AIG FUND MANAGEMENT Ltd
d AIG Amer. Eq. Trust $ 24.3973
d High Life Fund Ecu 18.87
d UBZ Euro Optimizer Ecu 10.64
d UBZ Liquidity Fund $ $ 102.3253
d UBZ Liquidity Fund DM DM 102.9715
d UBZ Liquidity Fund Ecu Ecu 108.7139
d UBZ Liquidity Fund SF SF 103.1454
ALFRED BERG
d Alfred Berg Norden $ 139.40
Alfred Berg Sicav
d Global $ 133.28
d Germany $ 123.55
d Switzerland $ 92.33
d Netherlands $ 96.37
d North America $ 102.45
ALPHA ASSET MANAGEMENT Ltd
De Ruyterkade 62, Curacao NA. 5999 617844
m Alpha Europe Fund Ecu 244.37
m Alpha Futures Fund Ltd $ 151.72
m Alpha Global Fund $ 665.71
m Alpha Hedge Fund $ 332.35
m Alpha Pacific Fund Ltd $ 283.85
m Alpha Short Fund Ltd $ 182.64
m Alpha Spec. Situation Fd $ 314.90
m Alpha Titlside Fund $ 129.26
m Curran-Alpha Hlth Care Fd $ 259.27
w Heisei Japan Fund Y 14022.00
w Nicholas-Applegate Aurelia $ 166.90
m Nicholas-Applegate Hea Fd $ 123.43
ARRAL ASSOCIATES Ltd
w Arral American Quant Fd $ 10.59
w Arral Asian Fund $ 155.13
w Arral Int'l Hedge Fund $ 186.53
BA GATEWAY FUND
w Germany Fixed Income DM 103.54
w Belgium Fixed Income BF 11004.00
w US Dollar Fixed Income $ 113.67
w Int'l Portfolio A $ 103.11
w Int'l Portfolio B Ecu 107.54
w Japan Equity Y 10025.00
w Pacific Equity $ 94.39
BANQUE BELGE ASSET MGMT FUND
Share Distributor Guernsey 0481 726614
w Int'l Equity Fund (Sicav) $ 10.87
w Int'l Bond Fund (Sicav) $ 12.26
w Dollar Zone Bd Fd (Sicav) $ 10.39
w Sterling Equity Fd (Sicav) £ 1.91
w Sterling Bd Fd (Sicav) £ 1.73
BANQUE DE GESTION E. DE ROTHSCHILD LUXEMBOURG S.A.
b Eagle Fund LF 9420.00
d Europe Japan Fund $ 9.27
b Government Secur. Fd $ 64.87
w Hispano Int'l Fund Ecu 11.37
w Laicom $ 1966.42
b Opportunities $ 921.48
b Optiquest Curssitor Gen. DM 148.01
b Optiquest Fixed Inc. DM 116.66
b Prifrat $ 327.76
b Prirrop Fund DM 43.83
w Rente Plus BF 4796.80
f Select. Horizon FF FF 64487.52
b Star Convert. Fd Fl Fl 11205.00
b Star Convert. Fd US$ $ 105.10
BANQUE INDOSUEZ
w The Dragon Fund Sicav $ 103.83
m Galaxy Futures Fund Ltd $ 109.18
m Dual Futures Fd Cl A Units $ 111.35
m Dual Futures Fd Cl B Units $ 111.54
m Dual Futures Fd Cl C Units $ 105.50
m Dual Futures Fd Cl D Units $ 107.72
m Maxima Fut. Fd Ser. 1 Cl. A $ 99.74
m Maxima Fut. Fd Ser. 1 Cl. B $ 99.74
w IPNA-3 $ 538.08
w Asian Growth Fund $ 34.47
w 1SA Japan Reg. Gr. Fund Y 989.00
w Pacific Gold $ 11.88
w Asian Income Fund $ 8.73
w Himalayan Fund $ 10.42
w Manila Fund $ 8.55
w Malacca Fund $ 13.23
w The Siam Fund $ 21.87
d Indosuez Hong Kong Fund $ 21.475
w Oriental Venture Trust $ 43.749
w North American Fund $ 37.028
w Singap & Malay Trust $ 13.920
w Pacific Trust HK$ 21.220
w Tasman Fund $ 4.320
w Japan Fund $ 13.075
w Managed Trust $ 19.135
d Japan Warrant Fund $ 2.26
d Worldwide Growth Fund $ 9.73
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w Daiwa Capital Eq. Fund $ 918.52
w Daiwa LCF Rothschild $ 1034.07
w Ecu D'Or Ecu 72.34
b Pri-Tech $ 1103.07
b Source Sicav $ 12.80
BANQUE SCANDINAVE EN SUISSE-GENEVA
w Intelbond Chf SF 70.54
w Intelsec Chf SF 173.76
w Swissfund Chf SF 103.73
w Universal Eurosec Ecu Ecu 99.09
w Universal Finnsec Global FM 116.90
w Universal Intelbond $ A $ 15.62
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w Universal Intelbond FF A FF 105.61
w Universal Intelbond FF B FF 115.56
w Universal Intelsec $ A $ 14.42
w Universal Intelsec $ B $ 14.58
BEARBULL
w BB Forex Ltd $ 1147.28
w BB Futures Ltd $ 1097.30
w BB Global Ltd BEF BF 986.00
w BB Global Ltd CHF SF 8.71
w BB Global Ltd FRF FF 93.82
BNP INTERFUNDS
BNP LUXEMBOURG
w Interbond Fund $ 225.44
w Interbelgian BF 57716.00
w Interecu Fund A Ecu 281.49
w Interecu Fund B Ecu 1085.38
INTER CASH
f France Securite FF 13894.80
f France Monetaire FF 11880.19
f France Capital FF 13073.73
f Inter Cash ECU Ecu 1541.32
f Inter Cash US$ $ 1140.76
f Inter Cash DM DM 2378.14
f Inter Cash GBP £ 1215.67
f Inter Cash FRF FF 14138.67
f Inter Cash YEN Y 153000.00
INTER OPTIMUM
w BEF/LUF BF 79171.00
w Multidevises DM DM 2274.14
w US$ $ 1108.47
w FRF FF 11444.30
INTER STRATEGIE
w France FF 9786.94
w Europe du Nord £ 1040.41
w Europe du Centre DM 2123.69
w Europe du Sud Ecu 1328.44
w Japon Y 136348.00
w Amerique du Nord $ 1148.66
w Sud-Est Asiatique $ 887.00

BNP JERSEY
INTER CURRENCY
w DM DM 26.3312
w GBP £ 13.8838
w US$ $ 12.4547
INTER EQUITY
w Australia Class $ 10.55
w European Class $ 9.67
w French Offer $ 16.23
w North American Offer $ 12.40
w Pacific Offer $ 17.98
BROADGATE INTERNATIONAL FUND
d $ Money Market $ 14.98
d Non-$ Money Market DM 35.21
d $ Bond $ 15.11
d Non-$ Bond DM 33.74
d European Equities $ 9.77
d Global Equity $ 17.52
d Global Bond $ 15.60
d Global Bond & Equity $ 15.52
d Pacific Equities $ 11.10
d Prec. Mets / Min. Secs $ 5.52
CAISSE CENTRALE DES BANQUES POP.
w Fructilux Actions Euro Ecu 1216.47
w Fructilux Actions Fses FF 7058.63
d Fructilux Court Terme FF 6808.80
d Fructilux Oblig. Euro Ecu 1238.38
d Fructilux Oblig. Fses FF 6676.51
CALLANDER
w Callander Emer. Growth $ 132.95
w Callander F-Asset $ 97.47
w Callander F-Austria AS 1364.87
w Callander F-Spanish Pta 10741.00
w Callander Swiss Growth SF 134.75
CAPITAL INTERNATIONAL
w Capital Int'l Fund $ 95.73
w Capital Italia SA $ 36.92
CDC INTERNATIONAL
w CFI Court terme FF 140119.36
w CFI Long Terme FF 1224401.81
CIC GROUP
d Oblicic Court Terme FF 12606.81
d Oblicic Monetaire FF 13308.33
CITICORP INVESTMENT BANK (Lux)
POB 1373 Luxembourg Tel. 477 95 71
d Citinvest Guardian $ $ 1095.96
d Citinvest Guardian Euro Ecu 1172.58
d Citinvest Mngd Growth $ 1209.71
d Citinvest Mngd Grth Euro Ecu 1090.21
d Citinvest Selector $ 932.80
d Citicurrencies US$ $ 1498.07
d Citicurrencies Managed $ 129.16
d Citicurrencies STG £ 132.96
d Citicurrencies DEM DM 116.82
d Citicurrencies YEN Y 11241.00
d Citiport N.A. Equity $ 197.43
d Citiport Japan Equity Y 5838.00
d Citiport UK Equity £ 116.73
d Citiport IAPEC $ 145.16
d Citiport Cont. Euro. Equity Ecu 134.15
d Citiport Bemec $ 94.52
d Citiport German DM 82.55
d Citiport Swiss SF 92.21
d Citiport French Equity FF 1113.53
d Citiport N.A. $ Bond $ 130.96
d Citiport Euro Bond Ecu 118.51
d Citiport Pacific Bond Y 11628.00
CITITRUST
w US $ Equities $ 229.34973
w US $ Bonds $ 14.79875
w US $ Money Market $ 14.34853
w Citiland $ 996.21457
w Citiperformance Ptfl A $ 10.31726
w Citiperformance Ptfl B $ 11.12519
m The Good Earth Fund $ 12.95891
COMPASS INTL. HOLDINGS Ltd.
POB 455, Jersey 0534 27267
w Bond: Dollar Med. Term $ 11.37
w Bond: Ecu Multicurr. Ecu 11.10
w Equity: United Kingdom £ 8.38
CREDIT AGRICOLE: MOSAIS
d Actions Int'l Diversifiees FF 108.31
d Actions Nord-Americaines $ 19.27
d Actions Japonaises Y 2017.13
d Actions Anglaises £ 12.41
d Actions Allemandes DM 33.36
d Actions Francaises FF 107.78
d Actions Esp. & Port. Pta 2463.06
d Actions Italiennes Lit 28075.83
d Actions Bassin Med. Ecu 17.35
d Actions Bassin Pacifique $ 15.89
d Actions Europeennes Ecu 15.83
d Actions Agro-Aliment. FF 110.60
d Actions Sect. Comm. FF 104.48
d Oblig Int'l Diversifiees FF 111.47
d Oblig Nord-Americaines $ 16.50
d Oblig Japonaises Y 2083.78
d Oblig Anglaises £ 10.86
d Oblig Allemandes DM 31.73
d Oblig Francaises FF 114.70
d Oblig Esp. & Port. Pta 2220.90
d Oblig Italiennes Lit 27001.44
d Oblig Europeennes Ecu 17.18
d Oblig Haut Rendement FF 17.34
d Oblig Int'l Div Sensib Red FF 111.27
d Oblig Convert. Intern. FF 114.49
d Court Terme Ecu Ecu 17.41
d Court Terme US$ $ 16.12
d Court Terme FF FF 114.10
CREDIT COMMERCIAL de FRANCE
w CM Actibonds $ 37.21
w CM Global Growth $ 10.16
w Elysees Monetaire FF 71173.95
d Europe Prest. Fund A Ecu 9.51
d Europe Prest. Fund B Ecu 11.54
CREDIT SUISSE
d CSF Bonds SF 75.569
d Bond Valor Swf SF 96.883
d Bond Valor US-Dollar $ 119.266
d Bond Valor D-Mark DM 104.083
d Bond Valor Yen Y 9768.783
d Bond Valor £ Sterling £ 99.504
d Convert Valor Swf SF 141.728
d Convert Valor US-Dollar $ 191.551
d CSF International SF 133.287
d Actions Suisses SF 557.085
d Europa-Valor SF 211.726
d Energie-Valor SF 149.982
d Canasec SF 325.041
d Ussec SF 754.316
d Pacific-Valor SF 134.469
d CS Gold Valor $ 116.113
d CS Tiger Fund $ 614.487
d CS Ecu Bond A Ecu 101.123
d CS Ecu Bond B Ecu 134.548
d CS Gulden Bond A Fl 95.572
d CS Gulden Bond B Fl 119.254
d CS Hispano Iberia Fd A Pta 23567.000
d CS Hispano Iberia Fd B Pta 24185.000
d CS Euro Finance Fd A DM 226.819
d CS Euro Finance Fd B DM 226.819
d CS Prime Bond A DM 90.814
d CS Prime Bond B DM 109.436
d CS Europa Bond A DM 247.858
d CS Europa Bond B DM 290.691
d CS Fixed I SF 7% 1/96 SF 104.946
d CS Fixed I DM 8% 1/96 DM 104.789
d CS Fixed I Ecu 8 3/4% 1/96 Ecu 106.130
d CS Euro Blue Chips A DM 243.888
d CS Euro Blue Chips B DM 247.427
d CS Short-T. Bond $ A $ 102.861
d CS Short-T. Bond $ B $ 125.028
d CS Short-T. Bond DM A DM 97.870
d CS Short-T. Bond DM B DM 122.779
d CS Money Market Fd $ $ 1630.487
d CS Money Market Fd DM DM 1422.645
d CS Money Market Fd £ £ 1923.833
d CS Money Market Fd Yen Y 131200.550
d CS Money Market Fd C$ C$ 1188.422
d CS Money Market Fd Ecu Ecu 1100.520
d CS Oeko-protec A DM 279.879
d CS North American Fd A/B $ 198.928
d CS UK Fund A/B £ 99.435
d CS France Fund A/B FF 989.580

CSFB FUND MGMT Ltd (0481-713996)
PB122, St Peter Port, Guernsey
w Islamic Mgmt Fund Ltd $ 989.23
DIT INVESTMENT FFM
d Concentra + DM 45.51
d Int'l Rentenfond + DM 77.36
EBC TRUST CO. (Jersey) Ltd
1-3 Seale St, St Helier: 0534-36331
EBC AMRO TRADED CURRENCY FUND
d Capital $ 23.926
d Income $ 15.862
INTERNATIONAL INCOME FUND
w Long Term $ 34.4655
d Short Term B (Accum) $ 0.8891
d Short Term B (Distr) $ 0.4911
ECU FUTURES PLC (44 71 225 3811)
d Ecu Plc Omega Fund $ 1.34
d Ecu Plc Oil Fund $ 0.92
d Ecu Plc Royden Fund $ 1.15
EQUIFLEX LIMITED
w Europe A Fl 18.58
w North America A Fl 10.17
EURO PACIFIC ADVISERS Ltd
w Meteora Y 189571.00
w Pacific Horizon Invt. Fd $ 2078.98
FIDELITY INT'L INV. SERVICES (Lux)
d Balanced Ptfl Hedged $ 11.39
d Balanced Ptfl Unhedged $ 11.46
d Conv. Securities Ptfl $ 8.89
d Discovery Fund $ 18.43
d Dollars Saving Trust $ 189.04
d Far East Fund $ 70.76
d Fid. Amer. Assets $ 157.76
m Fid. Amer. Values III Com $ 93.49
m Fid. Amer. Values IV $ 109819.80
d Fid. Australia Fund $ 17.11
d Frontier Fund $ 27.17
d Global Ind Fund $ 15.49
d Global Selection Fund $ 13.53
d International Fund $ 15.57
d New Europe Fund $ 9.21
d Orient Fund $ 109.44
d Pacific Fund $ 331.44
d Special Growth Fund $ 34.03
d World Fund $ 74.80
FOKUS BANK A.S. 472 428 555
w Scanfonds Int'l Growth Fd $ 1.54
GAIA CURRENCY FUNDS
w Gaia Hedge I $ 108.51
w Gaia Hedge II $ 237.24
w Gaia Hedge III $ 50.32
w Gaia Swiss Franc Fd SF 96.72
m Gaia Guaranteed Cl. I $ 74.11
m Gaia Guaranteed Cl. II $ 78.71
GAM ANLAGEFONDS AG.
POB 164, 8034 Zurich Tel: 41-1-2516440
d GAM (CH) Mondial SF 1344.00
d GAM (CH) Pacific SF 1996.00
d GAM (CH) America SF 1757.00
d GAM (CH) Europe SF 76.00
GAM TRADITION ANGLEFONDS AG.
d GAM Tradition SF 918.00
GARTMORE FUND MANAGERS INT.
45, La Motte Street, Jersey 0534 27301
CAPITAL STRATEGY FD Ltd
d American Fund $ 1.774
d Canadian Fund C$ 0.8862
d British Fund £ 2.596
d European Fund DM 5.462
d Eastern European Fd DM 4.049
d Asia Pacific Fund $ 2.182
d Japan Fund Y 599.1
d Australasian Fund $ 0.8445
d Global Resources Fund $ 0.7745
d Emerging Markets Fund $ 1.140
d International Growth $ 2.998
d Sterling Bond £ 1.978
d Ecu Bond Fund Ecu 0.9570
d International Bond $ 1.199
d Global Conv. Bond Fd $ 16.92
d US$ Deposit $ 1.022
d Sterling Deposit £ 1.082
d French Franc Deposit FF 10.38
d Swiss Franc Deposit SF 5.159
d DM Deposit DM 5.178
d Yen Deposit Y 515.4
d Austr. Dollar Deposit A$ 1.046
GARTMORE INDOSUEZ FUNDS 09/08/91
Tel: (352) 46 54 24 470
Fax: (352) 46 54 23
BOND PORTFOLIOS
d Deutsche Mark Bond DM 5.11
d Diverbond £ 2.56
d Dollar Bond $ 2.08
d European Bond Ecu 1.06
d French Franc Bond FF 10.06
d Global Bond $ 2.81
d Sterling Bond £ 1.00
EQUITY PORTFOLIOS
d Developing Markets $ 2.29
d Europe Ecu 1.10
d France FF 10.12
d Germany DM 4.77
d International $ 2.11
d Japan Y 269.00
d Natural Resources $ 2.07
d North America $ 2.21
d Pacific $ 2.33
d Singapore/Malaysia SG$ 5.22
d Switzerland SF 2.80
d United Kingdom £ 1.21
RESERVE FUNDS
d Deutsche Mark Reserve DM 5.18
d Dollar Reserve $ 2.04
d French Franc Reserve FF 10.36
d Sterling Reserve £ 1.06
d Yen Reserve Y 266.00
GEFINOR FUNDS
London: 071-4994171, Geneva: 41-22355530
w East Investment Fund $ 844.59
w Scottish World Fund £ 216.3840
w State St. American $ 294.55
GENERALE BANK
(See also Interselex Group)
d Rentinvest $ 27.96
d Capital Rentinvest $ 143.56
d Rentinbel Distribution LF 9587.00
d Rentinbel Capitalisation LF 12151.00
GENESEE FUND Ltd
w (B) Genesee Short $ 79.72
w (C) Genesee Opportunity $ 115.60
w (E) Genesee Balanced $ 106.18
GLOBAL ASSET MANAGEMENT
11 Athol St.Douglas.I.of Man 44-624-626837
w GAM Arbitrage Inc. $ 249.62
w GAM America Inc. $ 274.59
w GAM Australia Inc. $ 136.84
w GAM ASEAN Inc. $ 185.28
w GAM Boston Inc. $ 318.42
w GAM Selection Inc. $ 403.99
w GAM European Inc. $ 91.39
w GAM Europe Fund $ 77.42
w GAM Franc-Val Inc. SF 197.21
w GAM France Inc. FF 1468.21
w GAM Global Fund $ 108.14
w GAM High Yield Inc. $ 103.43
w GAM Hong Kong Inc. $ 261.75
w GAM International Inc. $ 131.22
w GAM Japan Inc. $ 645.79
w GAM North America Fund $ 120.68
w GAM Money Mkts Fd $ $ 100.84
w GAM Money Mkts Fd £ £ 101.46
w GAM Money Mkts Fd SF SF 100.88
w GAM Money Mkts Fd DM DM 100.97
w GAM Money Mkts Fd Yen Y 10078.00
w GAM Mlti-Mar Fd Inc Allocs $ 113.85
w GAM Mlti-Mar Fd IncGenEd $ 114.39
w GAM Mlti-Mar Fd Trading $ 116.49
w GAM Mlti-Mar Deferred Cl $ 109.53

w GAM Pacific Basin Fund $ 133.14
w GAM Pacific Inc. $ 564.65
w GAM Restr. Fund Inc. $ 143.87
w GAM Singap-Malay Inc. $ 251.91
w GAM Swiss Fr Spec Bd Fd SF 97.40
w GAM Value Inc. $ 99.21
w GAM Worldwide Inc. $ 419.55
w GAM Tyche S.A. Class A $ 243.77
w GAM Univ. Spain Inc. SF 107.82
w GAM Univ. D-Mark Acc. DM 120.21 *
w GAM Univ. D-Mark Inc. DM 117.51 *
w GAM Univ. Dollar Acc. $ 118.35 *
w GAM Univ. Dollar Inc. $ 108.14 *
w GAM U.S. Inc. $ 205.46
w GAM Whitehorn Fund Inc. $ 160.01
w GAM UT Inc. $ 98.42
w GSAM Composite Inc. $ 246.48
w GAM Bond Fd Inc. US Ord. $ 118.32
w GAM Bond Fd Inc. US Spe. $ 145.62
w GAM Bond Fd Inc. SF SF 82.83
w GAM Bond Fd Inc. Yen Y 11831.00
w GAM Bond Fd Inc. DM DM 92.45
w GAM Bond Fd Inc. £ £ 115.73
w GAM Sterling Spec. Bd Fd £ 111.53
GT MANAGEMENT PLC (44 71 222 44 44)
d G.T. ASEAN Fund $ 44.07
d G.T. Asia Fund $ 19.82
d G.T. Australia Fund $ 25.18
d G.T. Berry Japan Fund $ 27.39
w G.T. Biotech/Health Fd $ 19.16
d G.T. Bond Fund $ 16.60
d G.T. Deutschland Fund $ 11.93
d G.T. Dollar Fund $ 21.64
w G.T. Emerging Mkts Fd $ 11.19
w G.T. Euro Small Co Fd $ 31.64
d G.T. Europe Fund $ 31.45
w G.T. Global Small Co Fd $ 16.80
w G.T. Hong Kong Fund $ 35.47
w G.T. Honshu Pathfinder $ 12.35
d G.T. Investment Fund $ 15.61
w G.T. Japan OTC Stocks Fd $ 12.79
w G.T. Japan Small Co Fd $ 14.92
w G.T. Korea Fund $ 7.28
w G.T. Latin America Fd $ 11.98
w G.T. Newly Ind Countr Fd $ 30.79
r G.T. Technology Fund $ 42.46
d G.T. UK Small Companies £ 6.93
d G.T. US Small Companies $ 16.44
HILL SAMUEL INVEST. MGMT. INTL S.A.
Jersey, P.O. Box 63, Tel 0534 76029
Berne, P.O. Box 2622, Tel 4131 224051
d Crossbow (Far East) SF 15.58
d CSF (Balanced) SF 41.84
d European Equity Fund DM 18.51
d Int'l Bond Fund $ 12.96
d Int'l Currency US $ 27.98
d Int'l Currency US Mngd $ 29.78
d ITF Fd (Technology) $ 15.59
d O'seas Fd (N. America) $ 58.63
IAM, 2 Bd. Royal LUXEMBOURG
d IAM Flagship Fund Ecu 77.70
w IAM Bonds Fd-France A FF 651.61
w IAM Bonds Fd-Allem. B DM 271.94
w IAM Bonds Fd Japon C Y 10888.00
w IAM Bonds Fd Div. I FF 502.03
w IAM Europe Global Ecu 88.86
w IAM Europe Lux Ecu 89.06
w IAM Europe 1992 Ecu 98.25
w IAM Europe du Sud Ecu 85.78
INTERSELEX GROUP
d Int. America Sicav $ 18.71
d Int. Belgo Sicav BF 2816.00
d Int. Europa Sicav LF 6346.00
d Int. Pacific Sicav $ 97.21
d Int. World Distr. Sicav $ 95.57
INVESCO MIM INT'L, POB 271, Jersey
Tel: 44 534 73114
d Income Plus Fund $ 2.5058
d Dollar Mngd Curr $ 14.9900 *
d Dollar Mngd Ptfl $ 2.2200
d Sterling Mngd Ptfl £ 1.7490
d Pioneer Markets £ 3.2540
d UK Growth £ 1.2838
d Gold & Prec. Metals £ 0.8860
d Sterling Mngd Curr £ 17.7100
d Japan Dollar Perf. Fund $ 2.0580
d Jersey Gilt £ 0.1791 *
d Okasan Global Strat $ 17.3200
d Asia Super Growth Fund $ 13.2500
d Nippon Warrant Fund $ 6.5400
d Gtd. N.W. 1994 $ 8.1400
d Asia Tiger Warrant $ 1.6100
d European Warrant $ 2.8100
PREMIER SELECT FUNDS
d American Growth $ 5.1500
d American Enterprise $ 6.8400
d Asia Tiger Growth $ 5.5200
d Dollar Reserve $ 5.8700
d European Growth $ 4.7500
d European Enterprise $ 5.2800
d Global Emerging Markets $ 5.4900
d Global Growth $ 4.9200
d Nippon Enterprise $ 6.4700
d Nippon Growth $ 4.7800
d North American Warrant $ 6.3000
ITALFORTUNE INTL. FUNDS
w Class A (Aggr. Growth Ital.) $ 45.29
w Class B (Global Equity) $ 10.44
w Class C (Global Bond) $ 10.83
w Class D (Ecu Bond) Ecu 10.38
JARDINE FLEMING, GPO Box 11448 Hg Kg
d JF ASEAN Trust $ 21.80
d JF Far East Wrnt Tr. $ 8.18
d JF Gbl Conv. Tr. $ 11.18
d JF Hong Kong Trust $ 95.49
d JF Japan Sm. Co Tr. Y 63219.00
d JF Japan Trust Y 16860.00
d JF Malaysia Trust $ 9.35
d JF Pacific Inc. Tr. $ 82.44
d JF Thailand Trust $ 11.16
JOHN GOVETT MGMT (I.O.M.) LTD
Tel: 44.624-62 94 20
w Govett Man. Futures £ 13.29
w Govett $ Gear. Curr. $ 16.58
JULIUS BAER GROUP
d Baerbond SF 919.80
d Conbar SF 1697.00
d D-Mark Baer Bond Fund DM 1001.00
d Dollar Baer Bond Fund $ 1173.00
d Emerging Europe Fund DM 104.80
d Equibaer America $ 2088.00
d Equibaer Europe SF 1522.00
d Europe Bond Fund Ecu 112.30
d Liquibaer £ 2844.00
d Multiadvisor Forex Fd $ 98428.00
d SFR-BAER SF 1084.80
d Stockbar SF 2075.00
d Swissbar SF 2146.00
KIDDER, PEABODY
b Chesapeake Fund Ltd $ 1546.68
b Int'l Guaranteed Fund $ 1043.27
b Stonehenge Ltd $ 1271.49
b The Gbl Asset Alloc Fd Ltd $ 918.98
b The Krieger Curr. Fd Ltd $ 935.80
KLEINWORT BENSON SELECT FUND
d British Fund Ecu 2.89
d Emerging Asia Fund Ecu 1.88
d European Fund Ecu 1.83
d International Fund Ecu 1.81
d Japanese Fund Ecu 1.74
d Kansallis World Fund FM 11.10
d North American Fund Ecu 2.29
d Pacific Fund $ 1.76
d Sicav Dollar Bond $ 1.78
d Sicav Intal Bond Ecu 1.93
d Sicav Sterling Bond £ 1.93
LATIN AMERICAN MANAGEMENT Co Ltd
Tel: London 071 628 1234
w Argentinian Invest Co Sicav $ 72.94

w Brazilian Invest Co Sicav $ 21.69
w Mexican Invest Co Sicav $ 23.76
LIPPO ASIA LIMITED
w Java Fund $ 6.96
LLOYDS BANK PLC, POB 438, Geneva 11
Deals 41-22-3073280/Inquir. 41-22-3073210
w Lloyds Int'l Dollar + $ 113.10
w Lloyds Int'l Europe + SF 107.00
w Lloyds Int'l Growth + SF 215.50
w Lloyds Int'l Income + SF 273.00
w Lloyds Int'l N. America + $ 190.15
w Lloyds Int'l Pacific + SF 180.40
MAGNUM FUTURES FUND Ltd
m Deutschemark Class DM 18.28
m Sterling Class £ 4.95
m US Dollar Class $ 8.33
MALABAR CAP MGMT (Bermuda) Ltd
m Malabar Int'l Fund $ 11.73
MAN INTERNATIONAL FUTURES
m Mint Limited - Ordinary $ 42.11
m Mint Limited - Income $ 13.95
m Mint Gtd Ltd - Spec Issue $ 22.20
m Mint Gtd Ltd - Nov 1993 $ 28.27
m Mint Gtd Ltd - Jan 1994 $ 16.45
m Mint Gtd Ltd - Dec 1994 $ 14.54
m Mint Gtd Ltd - Aug 1995 $ 11.87
m Fbme Mint Gtd Plc $ 111.46
m Mint Sp Res Ltd (BNP) $ 105.99
m Newcastle Guaranteed Ltd $ 11.42
m Alubat Mint Gtd. Fund Ltd $ 108.36
m Athena Diversified Fut. $ 9.30
m Athena Guaranteed Fut. $ 8.97
d Athena Guaranteed Curr. $ 9.53
MERRILL LYNCH
d Dollar Assets Portfolio $ 1.00
d Iberia Portfolio $ 10.11
d Multi-Curr. Bond Ptfl Cl A $ 17.23
d Multi-Curr. Bond Ptfl Cl B $ 17.18
d USA Income Portfolio $ 9.55
d US Federal Securities Fd $
d Category A $ 10.00
d Category B $ 10.36
d World Nat Res Ptfl Sh A $ 11.56
d World Nat Res Ptfl Sh B $ 11.38
MERRILL LYNCH MLT NAT'L INV PFL
GLOBAL CURRENCY BOND SERIES
d Australian Dollar Ptfl
d Category A AS 14.01
d Category B AS 14.07
d Canadian Dollar Ptfl
d Category A C$ 11.34
d Category B C$ 11.36
d Deutsche Mark Ptfl
d Category A DM 18.57
d Category B DM 18.59
d Pound Sterling Ptfl
d Category A £ 12.05
d Category B £ 12.06
d US Dollar Ptfl
d Category A $ 11.78
d Category B $ 11.85
d Yen Portfolio
d Category A Y 1055.00
d Category B Y 1058.00
MERRILL LYNCH MLT NAT'L INV PFL
EQUITY CONVERTIBLE SERIES
BASIC VALUE PORTFOLIO
d Class A $ 11.20
d Class B $ 11.04
CONVERTIBLE SECURITIES PTFL
d Class A $ 11.72
d Class B $ 11.61
GLOBAL EQUITY PORTFOLIO
d Class A $ 9.33
d Class B $ 9.07
EURO EQUITY PORTFOLIO
d Class A $ 10.40
d Class B $ 10.30
MULTIMANAGER N.V.
w American Growth Fd $ 10.46
w European Curr. Bond Fd Ecu 10.36
w European Growth Fd Ecu 11.38
m Futures Fd $ 10.72
w Japanese Growth Fd Y 1114.00
w Forex Fund $ 9.82
m Emerging Markets Fd $ 13.07
NIMARBEN
w Class A $ 225.87
NMB BANK, PO 1800, 1000 BV Amsterdam
w NMB Dutch Fund Fl 42.19
w NMB Euromix Growth Fd LF 2317.00
d NMB Real Estate Fund Fl 36.70
w The Brazil Fund $ 1.5591
NOMURA INTL. (HONG KONG) Ltd
d Nomura Jakarta Fund $ 7.85
NOMURA INVEST BANKING (M.E) E.C.
d Nomura Gulf Fund $ 8.48
OBLIFLEX LIMITED
w Multicurrency $ 25.12
w Dollar Medium Term $ 19.29
w Dollar Long Term $ 16.29
w Japanese Yen Y 3739.00
w Pound Sterling £ 19.25
w Deutsche Mark DM 13.66
w Dutch Florin Fl 13.95
w HY Euro Currencies Ecu 11.87
w Swiss Franc SF 10.97
w US Dollar Short Term $ 11.23
w HY Euro Curr Divid Pay Ecu 10.38
w Swiss Multicurrency SF 13.10
w European Currency Ecu 14.63
w Belgian Franc BF 102.69
w Convertible $ 11.52
w French Franc FF 114.61
w Swiss Multi-Dividend SF 9.84
w Canadian Dollar C$ 10.33
w Dutch Florin Multi Fl 11.94
w Swiss Franc Divid Pay SF 10.26
OLYMPIA Capital Intl. BVI
c/o OCM, 11 Av. Friedland 75008 PARIS
Tel: 33-1-45539038 Fax: 33-1-42567009
w Finsbury Group $ 150.97
w Olympia Securite SF SF 146.18
w Olympia Securite US$ $ 97.24
w Winch. Capital $ 102.10
w Winch. Frontier $ 256.63
w Winch. Fut. Olympia Star $ 103.03
w Winch. Hldg Int'l Madison Ecu 1100.73
w Winch. Hldg Int'l Ser D Ecu 1281.65
w Winch. Hldg Int'l Ser F Ecu 1290.78
w Winch. Hldg US$ $ 16.49
w Winch. Reser. Multi. Gvbd $ 14.76
OPTIMA FUND MANAGEMENT
6 Front St. Hamilton,Bermuda(809 295-4000)
w Optima Fund $ 13.74
w Optima Futures Fund $ 9.53
w Optima Short Fund $ 10.21
PARIBAS-GROUP
d Cortexa International $ 113.45
d Europhenix Ecu 193.14
d Luxor $ 8.01
d Par US Treas. Bond Cl B $ 148.83
d Parinter Bond Fund $ 14.71
d Parinter Fund $ 217.29
w Parvest Obli-DM A DM 1193.55
w Parvest Obli-DM B DM 1490.13
w Parvest Obli-Dollar A $ 1135.50
w Parvest Obli-Dollar B $ 1461.48
d Parvest Obli-Franc A FF 1379.64
d Parvest Obli-Franc B FF 1495.31
w Parvest Obli-Gulden A Fl 953.24
w Parvest Obli-Gulden B Fl 1202.39
d Parvest Obli-Sterling £ 116.70
w Parvest Obli-Yen A Y 103297.00
w Parvest Obli-Yen B Y 125672.00
PERMAL GROUP
b Drakkar Growth $ 2238.97
b EuroMir (Ecu) Ltd Ecu 1225.59
b Media Ltd $ 923.76

b Nascal Ltd $ 1637.29
w Updyke Ltd $ 276.30
b Value N.V. $ 2726.00
PICTET & CIE - GROUP
b Eur. Opportunity (Lux) Ecu 106.32
b Eurovol (Lux) Ecu 148.66
b Global Value (Lux) Quant. Ecu 126.37
m Intl Small Cap (IOM) $ 387.90
d Pictet Valsuisse (CH) SF 451.85
PIERSON, HELDRING & PIERSON N.V.
Rokin 55, 1012kk, Amsterdam (20-5211188)
w Asia Pac. Growth Fd N.V. $ 30.21
w Asian Selection Fd N.V. Fl 56.85
w DP Amer. Growth Fd N.V. $ 32.07
w Environment Growth Fund Fl 54.32
w Eur. Growth Fund N.V. Fl 59.48
w Japan Diversified Fund $ 45.12
w Leveraged Cap Hold $ 404.36
w Tokyo Pac. Hold. N.V. $ 223.58
PRISM ASSET MANAGEMENT
(212) 332-1002 advisor to:
d Prism Fut. Fd (EFF) $ 298.34
d Conqueror $ 89.68
d PTJ $ 115.10
d Apex Fund Ltd $ 106.34
d Rainbow $ 118.54
d Emerald Futures Ltd $ 99.24
d Harmonic Futures Ltd $ 96.71
PUTNAM
d Emerging Hlth Sc. Trust $ 38.57101
w Putnam Em. Info. Sc. Trust $ 18.48899
d Putnam Glob. High Growth $ 13.94
d Putnam High Inc. GNMA Fd $ 9.33
d Putnam Int'l Fund $ 12.87
PYRFORD, SWITZ (038) 25 17 35
w Pyrford Australian AS 100.00
w Pyrford Int'l SF 103.25
ROBECO GROUP
POB 973, Rotterdam (10-4650711)
d Robeco Fl 108.30
d Rolinco Fl 99.70
d Rorento Fl 66.50
d Rodamco Fl 52.50
d RG America Fund Fl 98.60
d RG Europe Fund Fl 97.70
d RG Pacific Fund Fl 108.00
ROTHSCHILD AST. MGT.
w Tokyo Pacific Hldgs (Sea) $ 163.14
ROYAL B. CANADA, POB 246, GUERNSEY
w RBC British Fund Ltd + £ 5.151
w RBC Canadian Fd Ltd + C$ 14.88
w RBC European Fund + £ 11.77
w RBC Far East & Pac. Fd + $ 41.11
w RBC Int'l Bond Fund Ltd + $ 33.55
w RBC Int'l Capital Fund + $ 32.44
d RBC Mngd Currency Fd + $ 42.46
w RBC North America Fd + $ 15.65
SAFRA REPUBLIC HOLDING
w Republic (Gnsey) $ Inc Fd $ 9.91
w Republic Gam Fund $ 105.38
SKANDIFOND
SKANDINAVISKA ENSKILDA BANKEN
w Equity Int'l Acc. $ 13.63
w Equity Int'l Inc. $ 11.76
w Equity Global $ 1.29
w Equity Far East $ 2.19
w Equity Gold $ 0.69
w Equity Japan Y 119.80
w Equity Nordic $ 1.40
w Equity U.K. £ 1.30
w Equity Continental Europe $ 1.34
w Equity Mediterranean $ 1.00
w Equity North America $ 1.55
w Bond Int'l Acc. $ 9.47
w Bond Int'l Inc. $ 6.92
w High Income Acc. $ 1.34
w High Income Inc. $ 1.00
w Bond Sweden SKr 12.74
w Bond DEM DM 1.86
w Bond Dollar $ 1.14
w Multicurrency $ 1.36
w Enskilda Int'l Bond $ 103.33
SOCIETE GENERALE GROUP
d Asia Fund $ 396.62
d Biw Category A $ 14.87
d Biw Category B $ 32.22
SOGELUX FUND (SF)
w SF Bonds A U.S.A. $ 13.38
w SF Bonds B Germany DM 24.51
w SF Bonds C France FF 97.26
w SF Bonds D Switz. SF 21.36
w SF Bonds E G.B. £ 9.65
w SF Bonds F Japan Y 1718.00
w SF Bonds G Europe Ecu 13.49
w SF Bonds H World Wide $ 13.65
w SF Bonds J Belgium BF 635.00
w SF Eq. K North America $ 13.82
w SF Eq. L W. Europe Ecu 13.45
w SF Eq. M Pacific Basin Y 1446.00
w SF Eq. N France FF 70.50
w SF Eq. P Growth Countries $ 12.78
w SF Eq. Q Gold Mines $ 18.85
w SF Eq. R World Wide $ 12.25
w SF Short Term S France FF 133.72
w SF Short Term T Eur. Ecu 13.14
SOGELUX INDEX FUND (SIF)
w S.I.F. France Capital FF 1013.98
w S.I.F. France Distrib. FF 1013.98
w S.I.F. GB Capital £ 120.31
w S.I.F. GB Distrib. £ 120.31
w S.I.F. Japan Capital Y 13162.00
w S.I.F. Japan Distrib. Y 13162.00
w S.I.F. US Capital $ 178.83
w S.I.F. US Distrib. $ 178.83
w S.I.F. World Capital $ 136.96
w S.I.F. World Distrib. $ 136.96
SODITIC ASSET MANAGEMENT INC.
w SAM Diversified Inc. $ 112.26
w SAM Strategy Inc. $ 97.84
SVENSKA HANDELSBANKEN S.A.
146 Bd de la Petrusse, L-2330 Luxembourg
w Neptune Maritime Fund $ 8.28
b SHB Bond Fund $ 49.30
w Svenska Sel. Fd Amer Sh $ 12.96
w Svenska Sel. Fd Germany DM 9.83
d Svenska Sel. Fd Int'l Bd Sh $ 11.29
w Svenska Sel. Fd Int'l Sh $ 49.36
w Svenska Sel. Fd Japan Y 505.00
w Svenska Sel. Fd Nordic Sh $ 10.84
w Svenska Sel. Fd Pacif Sh $ 4.84
w Svenska Sel. Fd S/T Ass Sh $ 10.66
d Svenska Sel. Fd Swed Bds SKr 1075.75
SWISS BANK CORP. (Issue Prices)
d SBC Bond Portfolio - C$ C$ 99.92
d SBC Bond Portfolio - Ecu Ecu 99.87
d SBC Bond Portfolio - FF FF 500.26
d SBC Euro stock Ecu 182.00
d SBC Str Bond A SF 1082.52
d SBC Str Bond B SF 1126.27
d SBC DM Short A/B DM 1075.47
d SBC MMF - C$ C$ 4034.36
d SBC MMF - DFl Fl 6053.17
d SBC MMF - Ecu Ecu 3007.35
d SBC MMF - FF FF 20192.19
d SBC MMF - Lit Lit 4040089.00
d SBC MMF - £ £ 2312.15
d SBC MMF - SF SF 5859.71
d SBC MMF - US - Dollar $ 4481.89
d SBC MMF - Yen Y 543902.00
d SBC 100 Index Fund SF 1138.00
d America Valor $ 306.97
d Anglo Valor £ 191.90
d Asia Portfolio SF 555.73
d Convert Bond Selection SF 97.31
d D-Mark Bond Selection DM 107.87
d Dollar Bond Selection $ 137.88
d Ecu Bond selection Ecu 180.86
d Florin Bond Selection Fl 113.15
d Franch Valor FF 1657.27

d Germanie Valor DM 453.87
d Gold Portfolio SF 348.84
d Iberia Valor Pta 46834.00
d Ital Valor Lit 381849.00
d Japan Portfolio Y 28472.00
d Sterling Bond Selection £ 108.79
d Sw. Foreign Bond Selection SF 102.31
d Swissvalor SF 373.00
d Universal Bond Selection SF 78.25
d Universal Fund SF 108.36
d Yen Bond Selection Y 10946.00
T. ROWE PRICE ASSOCIATES INC.
m T. Rowe Price Frontier Ltd $ 9.86
TEMPLETON W.WIDE INVESTMENTS
GROWTH PORTFOLIO
d Class A-1 $ 9.76
d Class A-2 $ 10.96
d Class A-3 $ 10.33
d Class B-1 $ 9.58
d Class B-2 $ 10.78
INCOME PORTFOLIO
d Class A $ 10.28
d Class B $ 10.23
TERMINVEST Tel: 48.78.93.89
m Dual Futures Fd Cl D Units $ 107.72
m Galaxy Futures Fund Ltd $ 109.18
THORNTON MANAGEMENT Ltd
d Pacif Invt Fd SA $ 9.71
d Pacif Invt Fd SA DM DM 28.43
d Pacif Invt Wrnt Fd SA $ $ 4.71
d Pacif Invt Wrnt Fd SA DM DM 13.79
d Eastern Crusader Fund $ 8.23
d Thornton Int'l Opp. Fd $ 1.66
d Thornton HK Gateway Fd $ 17.89
d Thornton Japan Fund Ltd $ 25.92
d Thor. Lith Dragons Fd Ltd $ 20.87
d Thornton Orient Inc Fd Ltd $ 21.65
w Thornton Phil. Redev. Fd $ 21.28
d Thornton Tiger Fd Ltd $ 30.45
NEW TIGER SEL. FUND
d Thailand $ 7.84
d Malaysia $ 9.87
d Indonesia $ 6.61
UEBERSEEBANK Zurich
d B - Fund SF 1089.42
d E - Fund SF 332.19
d J - Fund SF 359.64
d M - Distribution SF 98.87
d M - Fund SF 1082.26
d UBZ Euro-Income Fund SF 9.97
UNION BANK OF SWITZERLAND
d Amca American Shares SF 43.50
d Bond-Invest SF 61.75
d Brit-Invest Shares SF 795.50
d D-Mark-Invest Bonds DM 189.80
d Dollar-Invest Bonds $ 109.11
d ESPAC Spanish Shares SF 200.50
d Eurit SF 338.00
d Fonsa Swiss Shares SF 209.50
d Francit Shares SF 193.50
d Germac Shares SF 222.50
d Globinvest Shares SF 108.00
d Gold Invest Shares SF 201.50
d Helland-Invest Shares SF 243.00
d Itac Shares SF 195.00
d Japan-Invest Shares SF 1242.80
d Sima (stock price) SF 230.50
d Skandinavien-Invest SF 248.00
d UBS Money Mkt Invest $ 1052.29
d Yen-Invest Bonds Y 79770.00
UNIVERSAL GROUP OF FUNDS
d Universal Global C$ 5.98
d Universal Cdn. Equity C$ 10.22
d Universal Cdn. Ressource C$ 4.23
d Universal American C$ 9.36
d Universal Pacific C$ 9.01
d Canada Guar. Mortgage Fd C$ 15.11

Other Funds
r Actiroissance FF 519.78
d Actifinance Int'l $ 1059.66
w Actifutures Ltd $ 1062.45
w Actigestion FF 1234.25
w Activest Int'l $ 28.27
m Advanced Strategies $ 105.95
w Aquila International Fund $ 244.39
b Ariane $ 4151.38
d Asia Oceania Fund $ 9.51
m Associated Investors Inc. $ 806.97
b Atlantic Fund $ 77.01
r Australia Fund $ 18.36
w Balfour Maclaine Series 1 $ 941.00
w BDD Inv Fund-Ecu Bd Ecu 5457.16
w BEM International $ 6.76
w Bondselex-Issue Pr. SF 107.35
m Cal Futures 1990 Fd Ltd $ 25.32
d CB German Index Fund DM 122.50
w CMI Investment Fund $ 1425.00
d Colbert Croissance FF 73.14
d Colbert Finances FF 128150.19
d Colbert Tresor FF 1233.12
w Convert. Fd. Int'l A Certs $ 17.49
w Convert. Fd. Int'l B Certs $ 60.66
w Cowen Enterprise Fd N.V. $ 975.93
w Cumber Int'l N.V. $ 256.19
w D. Witter Wld Wide Ivt Tst $ 25.32
w D.G.C. $ 218.86
w Daiwa Japan Fund Y 7567.00
d Dreyfus America Fund $ 21.05
w Dumelux Amerique $ 1034.59
w Dumelux Asie Pacifique $ 1034.59
w Dumelux Bonds Plus $ 951.46
w Dumelux Europe Ecu 1065.21
w Dumelux France FF 6351.87
w Dumelux Opportunit $ 1034.59
m Dumell Arbitrage Fd NV $ 789.42
w Eas Overseas Fund Ltd $ 1202.00
d Emi Belg. Ind. Plus A BF 8796.00
d Emi Belg. Ind. PLus B BF 8796.00
d Emi France Ind. Plus A FF 846.17
d Emi France Ind. Plus B FF 846.17
d Emi Germ. Ind. Plus A DM [illegible]
d Emi Germ. Ind. Plus B DM [illegible]
d Emi Spain Ind. Plus A Pta 9897.83
d Emi Spain Ind. Plus B Pta 7877.00
d Emi UK Index Plus A £ 104.97
d Emi UK Index Plus B £ 104.97
m Enigma Currency Fd $ 24.72
w Espir. Sto Inv M Ecu Bd Fd Ecu 101.56
w Espir. Sto Inv M Stlh Eur Fd $ 9.34
w Esprit Sicav Ecu 1204.16
d Eurasud FF 1013.85
d Europe 1992 $ 9.73
d Europe Obligations Ecu 80.90
w F.I.T. Fund FF FF 123.27
w F.M.P. Portfolio $ 0.5381
w Fairfield Int'l Ltd $ 169.20
w Fairfield Sentry Ltd $ 229.80
w Fairfield Strat. Ltd $ 65.80
m Fatum Fund $ 742.55
w First Eagle Fund $ 39748.78
w First Ecu Ltd Ecu 92.83
m First Frontier Funds $ 68.26
w FL Trust Switzerland SF 97.27
d Fonditalia $ 80.90
w Fonselex Issue Pr. SF 156.05
d Force Cash DM Sicav DM 5329.83
d Force Cash Ecu Sicav Ecu 2727.76
d Forexfund Limited $ 8.83
w Formula Selection Fd SF 64.82
d Frankl-Trust Effekten Fd DM 159.86
d Frankl-Trust Interzins DM 40.33
m Gems Progressive Fd Ltd $ 1107.73
w George V Inv. Bond F. $ 71.46
m German Sel. Associates DM 1748.52
d Green Line France FF 651.92
m Guaranteed Capital 'Imm 94' LF 580644.00
w Hasenbichler Com AG $ 1502.00
w Haussmann Hldgs. N.V. $ 377.46
d Hentsch T.F. SF 10366.00
w Hestia Funds $ 142.64
w Horizon Fund FF 10777.48
w Ibex Holdings Ltd SF 187.78

w IFDC Japan Fund Y 29619.00
r ILA-IGB $ 1.33
r ILA-IGS $ 9.94
w Infinity Fund $ 110.0984
r Int'l Securities Fund Ecu 27.66
m Interfoce Fund Ltd $ 154.52
d Interfund SA $ 43.59
w Intermarket Fund $ 487.84
w Intermet SA $ 3718.19
d Investa DWS DM 73.54
d Investmentor Fund $ 107.18
m J Capel Guaranteed Fund $ 9.95
w Japan Pacific Fund $ 212.64
m Japan Selection Asses. Y 9448.00
w Japan Selection Fund $ 224.47
d JJ Placement FF 13087.00
w JWH Worldwide Fund $ 8.54
d Kenmar Guaranteed $ 9.44
w Kenmar Int'l - B $ 10333.00
d Kenmar L/C $ 8.22
m Key Hedge Fund Inc $ 113.29
d KML-II H. Yield $ 594.02
w Korea Growth Trust $ 38.52
w LACO International $ 3.61
w Leumi Val. Francaises FF 996.81
m London Portfolio G'td. I $ 84.95
m London Portfolio G'td. II $ 8.39
m London Portfolio Services $ 9.76
w Luxfund $ 103.85
m Lynx Sel. Holdings SF 122.10
w M I Multi-strategy $ 1034.58
w M.Kingdon Offshore, N.V $ 9.02
m Maritime Fund Int'l Ltd $ 854.19
w Mat Growth ESCF DM 19.53
w Mat Growth USCF $ 11.92
w Matterhorn Offshore Fd $ 9807.76
w MBE Japan Fund LF 2207.00
m MCM Int. Limited $ 150.89
d Mediolanum $ 27.390
w Moore Global Invts. Ltd $ 2160.08
d NCA Fund $ 10.34
d New Millenium Fut. Ltd $ 905.59
w Nippon Fund $ 109.80
d NM Inc. & Growth Fund $ 17.48
m NMT Asian Sel. Portfolio $ 198.14
m NMT Citadel Bond SF 119.00
m NMT Nostec Portfolio $ 140.75
d Nomura-Cap Int'l Eq Fd $ 12.23
w Navaurope Ecu 2838.65
m NSM Invest. Ltd. Senso SH $ 10.22
m NSM Invest. Ltd. Tetryx SH SF 10.87
m NSP F.I.T. Ltd $ 10.54
m Oppenheimer U.S. Arb. $ 125.14
w Optimum Fund $ 1487.44
m Overlook Performance $ 1494.58
d Pacific Nies Fund $ 4.60
d PAM Futures Trad. $ 246.63
m Pan European Futures Ltd $ 4813.40
m PAN International Ltd $ 191.7080
w Pancurri Inc. $ 164.01
m Paragon Fund Limited $ 10.27
w Plurigestion FF 99.42
w Plurinvest International FF 111.48
d Precision Fd Ltd $ 74.96
d Premier Futures Ltd $ 1045.49
d Profirent S.A. DM 1099.49
w Prosp. I.H. Inc. P.F. $ 3.81
w Puget-Mabe Barclays Pac. $ 162.91
w Pulsar LDC Debt Fd $ 115.9514
w Quantum Fund N.V. $ 16728.81
m Quark Int'l Trad Prog $ 9879.007
w Quasar Fund N.V. $ 109.65
d SAGA Court Terme FF 1270.02
d SAGA France FF 458.32
d SAGA Long T. Capital FF 1149.52
d SAGA Perspectives FF 1062.53
d SAGA Premiere FF 1252.20
w Sailor's Int'l Equity Ecu 1017.50
w Sailor's Int'l Fixed Ecu 1020.99
w Samurai Portfolio SF 285.00
d Sanyo Kle. Spain Fd $ 10.02
d Sarakreek Holding n.v. $ 14.50
d Saturn Fund $ 1064.55
d SCI / Tech. SA Luxembourg $ 17.87
m Scimitar Guar. Curr Fd $ 9.54
m Scimitar Guaranteed $ 8.32
w Securefund 2008 Ltd $ 5.25
m SLH Guar. F.F.I. $ 1123.76
w SP International SA $ 6817.48
d Strat. Int'l Gold Fund SA $ 6.96
m Sussex McGarr $ 1743.80
w Techno Growth Fund SF 52.89
d Templeton Global Inc. $ 9.51
w The Jaguar Fund N.V. $ 283.40
d The Petrus Fund Ltd $ 1.07
w Thema M-M Futures $ 914.84
m TIIC (OTC) Jap. Fd Sicav $ 13.59
m Tokyo (OTC) Fund Sicav $ 9.66
w Transpacific Fund Y 25986.00
d Triton Offshore Class A $ 221.34
d Triton Offshore Class B $ 208.15
d Tudor B.V.I. Futures Ltd $ 8367.41
d Turquoise Fund $ 192.73
m Tweedy Browne (UK) n.v. $ 1401.83
w Tweedy Browne n.v. Cl A $ 3855.40
w Tweedy Browne n.v. Cl B $ 1754.56
d Uni Bond Fund Ecu 1736.09
r Uni Capital Fund Ecu 1235.77
d Unico Equity Fund DM 62.62
d Unico Inv. Fund DM 71.04
m Unitrad FF FF 11518.77
m Unitrad SF SF 1130.96
m Unitrad US$ $ 1108.86
d Univers Bonds DM 147.24
w Ursus Int'l Ltd $ 8342.00
w Vanderbilt Assets $ 16.75
m Victor Futures Fund $ 218.40
w Willer Asian Fund $ 18.44
w Willerbond Capital $ 14.95
d Win Global Fd Bd Ptfl Ecu 105.62
d Win Global Fd Eq Ptfl Ecu 109.96
d Win Global Fd Res. Ptfl SF 287.48
d World Balanced Fund S.A. $ 12.27
w Worldwide Securities $ 41.13
w Worldwide Special $ 885.28
m Zweig Int'l Ltd S/S $ 12768.00

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For information on how to have your fund listed, fax Simon OSBORN on (33-1) 46 37 52 12.

SPORTS

Long John Makes Short Work Of PGA Championship Skeptics

By Leonard Shapiro
Washington Post Service

CARMEL, Indiana — It began like a heavyweight championship fight, with a police entourage escorting John Daly through the teeming crowds and on to the first tee. It ended with this blond basher knocking out every opponent, plus a diabolic golf course and all those skeptics who said the rookie couldn't possibly win a major title.

Long John Daly won the PGA Championship on Sunday and the $230,000 check that went with it by shooting a 1-under-par 71 that put him at 276, 12 under for an event he dominated almost from start to finish, although he had been added to the field as the ninth and last alternate less than 24 hours before his first tee off Thursday afternoon.

His closest pursuer Sunday was that unflappable veteran, Bruce Lietzke, the 40-year-old runner-up from Dallas who shot 70 and finished at 279 when he made a curling 30-foot (9-meter) putt to save par on the 18th hole. Third place went to native Indianan Jim Gallagher Jr., who had the low round of the day, a 67 that left him at 281.

Daly, a 25-year-old from Arkansas, seemed oblivious to all the odds against him. He was playing with a borrowed caddie, on a frighteningly long, 7,289-yard (6,681-meter) course he had never seen until he teed off in the first round, in the first major tournament he had ever played.

On Saturday night, he even went to the Hoosier Dome to watch the Indianapolis Colts of the National Football League "because I got box seats." He walked through the stands high-fiving with the other spectators, who gave him an ovation. His fiancée, Betty Fulford, said he was so relaxed that "all he wanted to do was go out there and throw a football."

Relaxed was precisely how Daly played for most of the last round, just as he had in every round — with a swing that sent shots screaming to the outer reaches of the Crooked Stick Golf Club course. Occasionally those rockets hit the fairway; more often he was in the rough or blasting out of a trap. But it never really mattered.

Daly began the last round with a three-shot lead on the field, and when he stepped up to the 18th tee after three-putting for a double bogey on No. 17, he still held that advantage over Lietzke. He also knew that all he had to do to win was keep the ball in play on a 445-yard hole with a length of the fairway lake down the right side that had terrorized golfers all week. So what did he do?

Chris Wilkins/Agence France-Presse

Daly after last putt of tournament: "The greatest day of my life."

He smacked his drive nearly 300 yards, into the first cut of rough down the left side, whacked an 8-iron to 25 feet into the heart of the green, popped his first putt six feet behind the hole, then finished with a putt for par that brought spectators to their feet in the bleachers and fairways about the hole.

As he had walked up the final fairway, he pumped his fist and waved his hand, then blew a kiss to a crowd he credited for carrying him to "the greatest day of my life."

A few minutes later, he was hugging the hotel executive he plays to marry in Las Vegas in October.

They met two and one half years ago, when Daly was a struggling pro working more on his image as what Fulford described Sunday as a "party animal," one of several reasons he is known to friends as "Wild Man." He liked to have a good time, and yes, she said, "he did like to drink. He was a typical party person.

"He's had a difficult life, and a year and a half ago he wanted to quit. Things were not working out for him. I just tried to set some priorities with his life. He had to learn how to relax, and change some things he was doing. I guess I tried to put it all in perspective for him. He's really settled down in the last year."

And so, last Wednesday, when Nick Price dropped out of the PGA Championship to be with his pregnant wife, John Daly and Betty Fulford drove the 7½ hours from Memphis to Indianapolis. The rest is golf history.

■ Pate Gains U.S. Team

Steve Pate played his way onto the U.S. Ryder Cup team Sunday when he tied for seventh place in the PGA Championship, the last tournament in which points could be won, Reuters reported.

He shot 3-under-par 69 for a total of 284, which gave him just enough points to dislodge Tim Simpson from the team.

The biennial Ryder Cup matches will take place in September on Kiawah Island in South Carolina. The European team will be decided this month.

The Final Scores

Final scores and prize money Sunday from the $1.4 million 73d PGA Championship, played on the 7,289-yard, par-72 Crooked Stick Golf Club course:

John Daly, $230,000	69-67-69-71—276
Bruce Lietzke, $140,000	68-69-72-70—279
Jim Gallagher, Jr., $95,000	70-72-72-67—281
Kenny Knox, $75,000	67-71-70-74—282
Bob Glider, $60,000	73-70-67-73—283
Steven Richardson, $60,000	70-72-72-69—283
Raymond Floyd, $38,000	69-74-72-69—284
Steve Pate, $38,000	70-75-70-69—284
David Feherty, $38,000	71-74-71-68—284
Hal Sutton, $38,000	74-67-72-71—284
John Huston, $38,000	70-72-70-72—284
Craig Stadler, $38,000	68-71-69-76—284
Andrew Magee, $24,000	69-73-68-75—285
Jay Don Blake, $24,000	75-70-72-68—285
Payne Stewart, $24,000	74-70-71-70—285
Rocco Mediate, $17,000	71-71-73-71—286
Gil Morgan, $17,000	70-71-74-71—286
Howard Twitty, $17,000	70-71-75-70—286
Wayne Levi, $17,000	73-71-72-70—286
Sandy Lyle, $17,000	68-75-71-72—286
Ken Green, $17,000	68-73-71-84—286
Nick Faldo, $17,000	70-69-71-76—286
Seve Ballesteros, $11,500	71-72-71-73—287
Jack Nicklaus, $11,500	71-72-73-71—287
Mike Hulbert, $11,500	72-72-73-70—287
Chip Beck, $11,500	73-73-70-71—287
Mark McNulty, $8,150	75-71-69-73—288
Rick Fehr, $8,150	70-73-71-74—288
Fred Couples, $8,150	74-67-76-71—288
Loren Roberts, $8,150	73-74-72-70—288
Jim Hallet, $8,150	69-74-73-72—288
Steve Elkington, $6,000	74-68-74-73—289
Greg Norman, $6,000	70-74-72-73—289
Tom Purtzer, $6,000	69-76-71-73—289
Corey Pavin, $6,000	72-73-71-73—289
Davis Love III, $6,000	73-72-72-72—289
David Edwards, $6,000	71-75-71-72—289
Mark Calcavecchia, $6,000	70-74-72-72—288
Doug Tewell, $6,000	75-72-74-68—289
Jodie Mudd, $6,000	74-71-74-70—289
Dan Forsman, $6,000	73-74-68-74—289
Billy Andrade, $6,000	73-74-68-74—289
Craig Parry, $4,030	73-70-76-71—290
Scott Hoch, $4,030	71-75-72-72—290
Lanny Wadkins, $4,030	71-74-72-73—290
Ed Dougherty, $4,030	75-70-69-76—290
Wayne Grady, $4,030	72-70-71-77—290
Brad Faxon, $3,175	72-71-76-72—291
David Frost, $3,175	74-70-75-72—291
Keith Clearwater, $3,175	72-72-76-71—291
Ian Woosnam, $3,175	67-72-76-76—291
Tom Sieckmann, $2,725	68-76-74-74—292
Tom Kite, $2,725	73-72-75-72—292
Eduardo Romero, $2,725	72-75-73-72—292
David Graham, $2,725	72-73-73-74—292
Mark McCumber, $2,725	74-72-71-75—292
Nolan Henke, $2,537	74-70-75-74—293
Blaine McCallister, $2,537	71-76-77-69—293
Lindy Miller, $2,537	72-72-77-72—293
Fred Funk, $2,537	71-69-72-81—293
Dave Barr, $2,462	73-72-76-71—294
Jeff Sluman, $2,462	73-73-74-74—294
Gene Sauers, $2,400	75-71-70-79—295
Bob Wolcott, $2,400	73-71-79-72—295
Joey Sindelar, $2,400	74-73-71-77—295
Mark Wiebe, $2,312	72-73-73-78—296
Dillard Pruitt, $2,312	72-75-73-76—296
Bob Tway, $2,312	73-71-78-74—296
Scott Williams, $2,312	78-77-76-73—296
David Peoples, $2,225	74-73-75-75—297
Danny Hepler, $2,225	71-75-75-76—297
Lonnie Nielsen, $2,225	74-71-74-78—297
Hale Irwin, $2,137	70-76-74-78—298
Phil Blackmar, $2,137	73-72-82-71—298
Billy Ray Brown, $2,137	69-75-79-75—298
Don Pooley, $2,137	72-74-72-80—298
Kenny Perry, $2,075	72-73-79-76—300

U.S. Ryder Cup Team

The 10 members of the U.S. Ryder Cup team, based on points accumulated over two years ending with the PGA Championship. Team captain Dick Stockton will select two more members Tuesday.

1. Fred Couples	721,250
2. Payne Stewart	546,250
3. Lanny Wadkins	525,199
4. Hale Irwin	517,500
5. Paul Azinger	501,250
6. Corey Pavin	498,000
7. Mark O'Meara	425,417
8. Mark Calcavecchia	407,500
Wayne Levi	407,500
10. Steve Pate	405,417

David Does It to Goliath Again

'Miracle' Double Play Gives Cuba 3-2 Baseball Victory

By Lee Hockstader
Washington Post Service

HAVANA — The latest hero was Germán Mesa, a tiny shortstop who lived up to his nickname, "the Vacuum Cleaner."

Tomorrow's hero is anybody's guess, but the way things are going here at the XI Pan American Games it's bound to be a Cuban, and it's bound to be at the expense of the Americans.

With 60,000 baseball aficionados roaring their approval and waving the national flag, Cuba's undefeated baseball team pulled off another routine miracle Sunday when Mesa started a double play in the eighth inning that saved a 3-2 victory over the U.S. team.

It was a baseball crowd unlike any the Americans had seen before, an ardent and patriotic mob that maintained an ear-splitting decibel level.

"You take a bunch of 19- and 20-year-old kids, and what's tougher than playing in front of 60,000 people in Havana, Cuba?" said the U.S. coach, Ron Polk. "We feel like we're a million miles away from home."

The Cubans crammed the stadium to capacity nearly two hours before the game, pressing against the railings and up the stairways. Thousands more couldn't get in and hollered outside with radios pressed to their ears. They weren't disappointed.

In the eighth inning, the United States seemed on the verge of pulling ahead of the older, more experienced Cuban squad. Although Jason Giambi struck out with the bases loaded, when Charles Johnson drove a ground a ball sharply up the middle, a run or two seemed imminent.

But Mesa dived, stabbed the ball with his glove and — from his knees — flicked it with his glove to second baseman Antonio Pacheco, who stepped on the bag for one out and threw to first to get Johnson for the double play that ended the inning.

The crowd roared.

"It's a miracle," said Luis Vidal, 76, who said he goes to every game in Havana's Latin American Stadium. "And this is the most crucial game."

Actually, it wasn't. There wasn't even a medal at stake — that will come next Saturday, when in all probability the same teams will play for the gold.

But Sunday's meeting was the first between the best two teams in the neighborhood. More important, perhaps, was the image of Cuba's Davids — even if they happen to be world champions — pitted against the United States' Goliaths for the umpteenth time since these games started Aug. 3.

And so thousands flocked to the park in this baseball-crazed city, where it is common to see large groups of men gathered in the old square near the capital screaming their heads off on the subject of baseball on any afternoon.

They do the wave no matter which side is at bat, the purpose being not so much to distract their visitors as to maintain a fevered atmosphere. An African bongo drum in the bleachers behind first base lent a Caribbean tone, to which the crowd contributed by singing "Cuba, Beautiful Cuba."

Casual fans were nowhere to be found. This was a crowd that knew its baseball.

"Unfortunately, they weren't all for us this time," U.S. outfielder Chris Roberts said, with more than a little understatement.

In Track, Losses Come More Handily

Compiled by Our Staff From Dispatches

HAVANA — The U.S. women divers finished a sweep of their events as Eileen Richetelli and Alison Maisch won a gold and silver on the 10-meter platform, and Pam Shriver won her second and third gold medals in tennis, adding the singles and mixed doubles titles to the women's doubles she won Saturday.

But the U.S. track and field team, which usually ends the Pan American Games in a blaze of glory, ended up Sunday with its worst showing ever: nine golds and 40 medals.

The previous low for golds was 14 by the 1983 team, which lost 12 members after they returned home following a drug scandal in Caracas.

And for the first time since the games began in 1951, the U.S. track and field team was beaten in total medals, with the host Cubans finishing with 42, including 18 golds.

Typical of the Americans' plight was the relays. Of the four — the men's and women's 400 and the men's and women's 1,600 — the Americans had lost only four times in 35 races since the games began.

Sunday, they lost three times, winning only the women's 1,600.

Most disappointing was the men's 400 relay, in which Andre Cason, Jon Drummond and Michael Bates had given the Americans what appeared to be a commanding five-meter lead after the first three legs. But on the final handoff from Bates to Jeff Williams, Williams dropped the stick.

Three bad handoffs also cost the U.S. women's 400 team a shot at a gold, the worst being the final handoff, between Lamonda Miller and Chryste Gaines.

"Chryste just ran off and left me," Miller said. "I was saying, 'No Chryste. No, Chryste.' "

Gaines finally had to stop just short of the end of the handoff zone to get the baton.

The U.S. women's basketball team left without gold — Brazil got that with a 97-76 victory over Cuba — as for the first time in nine years the Americans were denied a major international championship. The women beat Canada, 92-61, for the bronze.

But the women's softball team, as dominant as the basketball team used to be, easily took the gold with a 14-1 rout of Canada.

Dan Pedersen, the American umpire who was suspended Saturday in the aftermath of a brawl between the Canadian and Mexican baseball teams, was reinstated Sunday by the Pan American Baseball Confederation.

The appeals committee, which met for more than six hours, also ruled that the game, which was suspended after five innings, would not be replayed as originally announced, and that Mexico would be declared the winner.

The decision to reinstate Pedersen defused a potential strike by 9 of the 23 umpires who had threatened to boycott the games if the suspension was upheld. But Pedersen said he would be going home Monday. *(AP, NYT)*

SIDELINES

Team Bars Longo From Stuttgart

PARIS (Reuters) — Eight-time world champion Jeannie Longo has been barred by the French Cycling Federation from competing in the world championships that start Tuesday in Stuttgart.

The French coach, Lucien Bailly, said Monday that Longo had been dropped from the team for refusing to use the bike pedals imposed by the federation.

"It is a matter of pedals," said Bailly, adding that "everybody has accepted except Longo. That's why we had to delete her name from the list."

Longo, who resumed competing last month after two years in retirement, has an exclusive contract with a rival pedal-making firm.

Forget Beats Sampras For ATP Championship

MASON, Ohio (AP) — Guy Forget, making the most of his power serve and newly found self-confidence, beat U.S. Open champion Pete Sampras, 2-6, 7-6 (7-4), 6-4, on Sunday to win the ATP Championship.

The $170,200 check was the biggest ever for Forget, 26, who has played on the French Davis Cup and Olympic teams but until this year never cracked the top 10 rankings.

● Second-seeded Gigi Fernandez of the United States beat top-seeded Julie Halard of France, 6-0, 6-2, in just 46 minutes Sunday to win at the Virginia Slims of Albuquerque, New Mexico.

Big East All-Stars Grow Dim on Australian Tour

MELBOURNE (AP) — Dave Colbert scored a game-high 42 points Monday night to lead the Melbourne Tigers of the Australian National Basketball League to a 144-108 triumph over the Big East Conference All-Stars.

The American-born Colbert was backed by Australian national team player Andrew Gaze, who got 37 points for the Tigers.

The Big East collegians, coached by Rick Barnes of Providence, are now 0-6 on their Australian tour.

For the Record

North Korea said Monday it was ending talks with South Korea on a joint Olympic team until Seoul repatriates Lee Chang Soo, an athlete who defected in August. *(Reuters)*

CHESS

By Robert Byrne

A GOOD case can be made for gambit play by Black, especially since the alternative of pure defense is so burdensome. Many competitors play to take over the initiative with Black, even if that means risking a gambit. At least, if White goes wrong in coping with it, there is a chance to win. With a positionally based gambit, it is no longer necessary to cringe on three ranks in fear of what will be thrown at you next. Instead you can take your fate into your own hands.

The New York grandmaster Larry Christiansen revealed a new gambit to defeat Ian Rogers, an Australian grandmaster, in the first round of the Pan-Pacific Grandmaster Tournament in San Francisco.

The opening lasted for one move as a Sicilian Defense; after 2 c4, Rogers transposed into an English Opening. He might have been hoping that Christiansen would not like defending the almost symmetrical variation that arose after 6...Nge7.

Rogers did not bother to play 8 Be3 because 8...Nd4 effectively stops 9 d4. The gambit that Christiansen proffered with 9...b5!? has been used occasionally in mirror-image positions by White, but here he was adopting this strategy with a move less. After 10 cb ab 11 Nb5 Ba6, he was creating positional pressure on the a and b files and along the h8-a1 diagonal, somewhat similar to what happens in a Benko Gambit.

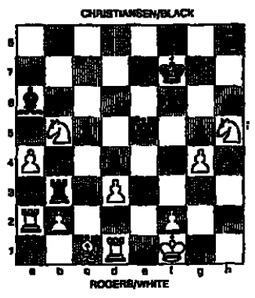
Maybe Rogers should have proffered defense with 12 Nec3. For example, 12...d5 13 ed ed 14 Bg5!? Bb5 15 Nb5 Bb2 16 Ra2 Bg7 gives the pawn back, but it keeps White out of a cramped position. The Australian's alternative, 12 Nbc3, was an attempt to refute Christiansen's gambit.

The American's 12...Ne5 compelled the awkward protection of the d3 pawn with 13 Nf4, whereas 13 d4? cd would have prohibited White from recapturing at d4 without losing material. Naturally, Christiansen would not weaken his king position with 13...g5?! for the sake of retrieving his pawn. He could boldly exchange queens with 18...Qb3! 19 Qb3 Rb3 because this reduction of material did nothing to ease Rogers's defense. After 20 Nc3 Rab8, the threat was 21...Rc3.

Christiansen turned up the heat with 21...Nd4, while Rogers could only grovel with 22 Bf1 and 23 Ra2. An important byproduct of the exchange of queens was that 23...g5! 24 hg hg became feasible because White lacked the resources to threaten the black king. After 25 Nh5 Nef3 26 Kg2 Be5, a bid for counterplay with 27 Bg5? would have led to disaster following 27...Ng5 28 f4 Rb2 29 Rb2 Rb2 30 Kh1 Ngf3, threatening 31...Rh2mate. After 29...Rh8, the threat was 30...f5 to unhinge the h5 knight. Thus, 30 Bf3 Nf3 31 Kg2 was forced.

On 32...d5! 33 ed ed, defense by 34 Ke2 would have been defeated by the blunt 34...Bc3 35 bc Rc3. For example, 36 Rad2 Re8 37 Kf1 Nf3 38 Rb2 Rd3 39 Rd3 Bd3 40 Kg2 Nh4 41 Kg3 Re1 42 Rb7 Kf8 43 Bb2 Rg1 44 Kh2 Nf3 45 Kh3 Bf1mate.

However, there was no resistance in 34 a4 d4 35 Nb5 after Christiansen's 35...Bc8! After 36 Re1 Bg4, Rogers gave up in view of 37 Ng3 Bg3 38 fg Nf3 39 Re4 Rh1 40 Ke2 Rh2 41 Kd1 (or 41 Kf1 Bh3mate) Rd3 42 Bd2 Rd2 43 Kc1 Rh1 44 Re1 Relmate.



Position after 35 Nb5

ENGLISH OPENING

White Rogers	Black Christiansen	White Rogers	Black Christiansen
1 c4	c5	18 Qb2	Rb3
2 c4	Nc6	20 Nc3	Rab8
3 Nc3	g6	21 Ra1	Nd4
4 g3	Bg7	22 Bf1	h6
5 Bg2	e6	23 Ra2	g5
6 Nge2	Nge7	24 hg	hg
7 d3	a6	25 Nh5	Nef3
8 O-O	O-O	26 Kg2	Be5
9 a3	b5	27 g4	f4
10 cb	ab	28 Kh1	Kf7
11 Nb5	Ra6	29 Bg2	Rh6
12 Nbc3	Ne5	30 Bf3	Nf3
13 Nf4	Qc7	31 Kg2	Nh4
14 h4	Rfb8	32 Kf1	e5
15 Qc2	Nfc6	33 ed	cd
16 Nce2	Qb6	34 a4	d4
17 Rd1	d5	35 Nb5	Bc8
18 Rb1	Qb3	36 Re1	Bg4
		37 Resigns	

BOOKS

1492: The Life and Times of Juan Cabezón of Castile.

By Homero Aridjis. Translated by Betty Ferber. 285 pages. $21.95. Summit Books, 1230 Avenue of the Americas, New York, N. Y. 10020.

Reviewed by Herbert Mitgang

WITH a resonating date for a title, this novel describes horrible events that occurred 500 years ago in Spain and is really history in disguise. As such, it demands close attention to separate fact from fiction, requires constant unraveling of dozens of remote characters and, finally, leaves little redeeming catharsis.

But "1492," by Homero Aridjis, a Mexican poet and novelist, is rewarding because it is a palatable education about a time and place a reader might not otherwise pursue.

The theme of "1492" is one that is not likely to be celebrated in Spain or anywhere else in 1992: the Inquisition, which led to the genocide, conversion or expulsion of Spanish Jews by order of the church and crown. It will come as no surprise if the Inquisition is overlooked, except by scholars, during the quincentenary of Columbus's voyage.

Autos-da-fé — public executions of those condemned as heretics — are no longer considered glorious in the name of God and country, but they can be useful as historical hallmarks.

Large doses of the history of the Inquisition are injected into "1492," which follows the picaresque life of a character named Juan Cabezón of Castile. He is a descendant of Jews who converted to Christianity to save their necks. The author tells us that Juan's grandfather was born in Seville and that the archdeacon there "incited the Christian rabble" to burn, rape and loot, reduce the synagogues to rubble, and "slit the throats of women and children."

Jews and Muslims who converted to Christianity still faced condemnation, ghettoization or death at the hands of royally sanctioned religious fanatics. Aridjis stops his narrative now and again to drop in well-documented evidence, then picks up his tale of Juan and other *conversos* (converts) and their oppression.

The novel gains momentum when Juan Cabezón falls in love with Isabel de la Vega, also a convert, and spends seven years searching for her when she disappears into the maelstrom of Spain. Juan encounters prostitutes, musicians, beggars and thieves.

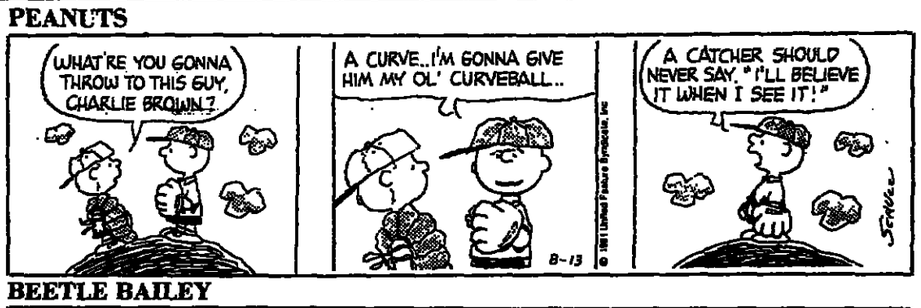
The novel shows that the yellow star of humiliation existed centuries before the Third Reich used it to set Jews apart. In "1492," the author quotes rules and penalties for Jews not wearing their identifying badges.

Later, Juan does find his Isabel, and their son. And, quite by accident, he encounters a navigator who denies that he is also a convert, but who knows?

The navigator says that he has come to Toledo to propose a grandiose scheme to the queen; he invites the narrator to join him as a mastman. For one doubloon, what's the navigator's name?

Herbert Mitgang is on the staff of The New York Times.

PEANUTS



BEETLE BAILEY

CALVIN AND HOBBES

WIZARD of ID

REX MORGAN

GARFIELD

DOONESBURY

DENNIS THE MENACE

JUMBLE® THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

DUHMI

RUTTE

TENTIK

LUCASE

A DUCK HUNTER QUICKLY FINDS OUT WHAT A WILD DUCK WANTS TO DO.

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer: ____ THE ____

(Answers tomorrow)

Yesterday's Jumbles: CRESS ANKLE BAKING EMBRYO
Answer: At wild parties "anything goes" and the first is usually this—MANNERS

SPORTS

A la 1951, Giants Geared Up to Challenge Dodgers Down the Stretch

By Murray Chass
New York Times Service

When the New York Giants awoke that day 40 years ago, they were 13 games behind the Brooklyn Dodgers in the National League standings. Monday, the San Francisco Giants stood six games behind the Los Angeles Dodgers.

Can the current Giants, who have already staged a rapid ascent, duplicate the stunning feat of their ancestors, who began their charge on Aug. 12 in 1951, and snatch a championship from the Dodgers' grasp?

Can any of the 18 teams that are 13 or fewer games from first place come from behind and finish ahead of 1991's divisional leaders?

The baseball season has eight weeks to produce answers to those questions.

That will not be enough time for most of those trailing teams to salvage their seasons, but three of the four division races tightened up during the weekend, and one or two clubs could topple teams that have had long stretches in the lead:

● Pittsburgh has been alone at the top of the National League East since April 27, its biggest lead seven games, its current lead six over St. Louis.

● The Dodgers have led the National League West since May 18, their biggest lead six games, their current lead one and a half over Atlanta.

● Toronto has been in first place in the American League East since June 23, its biggest lead eight games, its current lead four over Detroit.

● Minnesota has had the shortest run among the divisional leaders, holding the top spot in the American League West since July 11, the day the season resumed following the All-Star break. But the Twins also have been in first for all but three days since June 16. They have led by as many as five and a half games, only to see that lead dwindle to one game over Chicago.

With the Cincinnati Reds the latest victim of the no-repeat syndrome, the Dodgers appeared to be in control. Atlanta, the division's biggest surprise, had made a good run but had tumbled nine and a half games back at the All-Star Game break.

Then the Dodgers lost their first seven games after the break, and the Braves got their second wind, rushing back to two and a half games behind Los Angeles. The Giants, meanwhile, got their first wind, and they are the team the Dodgers have to fear — especially after being swept by them in a three-game weekend series.

A month ago, San Francisco was 14½ games behind the Dodgers. In the intervening period, the Giants reeled off 11 consecutive victories and compiled a 20-7 record.

Although they have a terrifying trio of run producers in Will Clark, Kevin Mitchell and Matt Williams, the Giants are not viewed as having enough pitching to sustain eight more weeks of contending baseball.

But they do have the heroes of 1951 to inspire them, and who knows what effect that precedent could have on this year's race, especially with the Giants and the Dodgers playing six of the last nine games of the season?

Los Angeles, meanwhile, struggles to score runs in an effort to maintain its lead. The Braves have made a good run at the top, but it would be expecting too much of them to make the jump from last to first in one season.

The defending champion Reds, too beaten up physically to challenge seriously, are headed in the opposite direction from the Giants.

Until two weeks ago, the Pirates seemed to be uncatchable. They had successfully repelled a charge by the New York Mets, who won 10 games in a row, and had built their lead to a season-high seven games. But they suffered an eight-game losing streak, then lost another three in a row after winning two close games.

The Mets, however, have been unable to capitalize on the Pirates' slide. They have had problems of their own — playing the Chicago Cubs, for example — and can't generate a sustained drive. Now they face the potential distraction of daily talk about the status of their beleaguered manager, Bud Harrelson.

The St. Louis Cardinals, in second place, are the surprise team in the division, but supplanting the Pirates would probably surprise them as much as anybody. Like the Braves, they can't be expected to catapult from last to first without making an interim stop.

The Pirates, with Barry Bonds and Bobby Bonilla in charge, are the most solid of the divisional leaders. A collapse of their corps of starting pitchers would be the only way they could falter and not become the first National League team to repeat as division champions since 1977-78.

The Blue Jays are doing what they seem to do best: finding a way to lose the division championship. Just when they had the Boston Red Sox, once their chief challengers, buried and virtually dead, they died at the feet of the Red Sox in three games this past weekend.

The sweep might have let the Red Sox back in the race, but it made the position of the Detroit Tigers more legitimate. The Tigers, who lead the league in home runs and strikeouts but are last in hitting and almost last in pitching, have been in second place for four weeks, but they seemed to have gained their status more by default than by talent.

By staying close, however, they are in position to capitalize on a Toronto collapse.

The Blue Jays play Western Division teams the last four weeks. With the West having a decided edge on the East this season, the Blue Jays could encounter more trouble than the other contenders, who will be playing the weaker Eastern teams.

Minnesota's 15-game winning streak in the first half of June caught everyone's attention, but the Twins have proved it wasn't a fluke. Sparked by a strong effort from their pitchers, they have jealously held onto their lead.

The race, though, has been the most hotly contested, and the lead could change hands several times before it ends.

The Chicago White Sox have been the hottest team recently, amassing 15 victories in 17 games, the latest the no-hitter by Wilson Alvarez. Frank Thomas and Robin Ventura, two impressive young hitters, have led the assault on Minnesota's lead.

For all of their problems — injuries, disintegration of the pitching staff, Mark McGwire's .200 batting average, Rickey Henderson's slowdown — the Oakland Athletics remain in position to win their fourth successive divisional title. Their experience could make the difference.

Seattle will be satisfied to have the first .500 season in franchise history, but the Texas Rangers will not be happy if their lack of pitching prevents them from winning their first championship.

The California Angels have collapsed since grabbing first place for a day, July 3, a 9-24 record sending them plummeting to last place.

The Kansas City Royals have awakened belatedly, but they would have to maintain the 19-5 pace they have generated in the last few weeks to climb over the four teams in front of them.

Greenhorn Joins the No-Hit Parade

By Mark Maske
Washington Post Service

BALTIMORE — Baseball's brewing decade of the no-hitter has added one of its most unlikely contributors in Wilson Alvarez of the Chicago White Sox, a rookie who had never before gotten so much as an out in a major-league game.

But he held the Baltimore Orioles hitless for nine invigorating innings here Sunday to become the youngest pitcher in 21 years to throw a no-hitter and to etch his name into the record books with a 7-0 victory.

The 21-year-old left-hander from Maracaibo, Venezuela, began the game as a virtual unknown to his teammates as well as to the Orioles. And certainly he was a long-shot candidate to deliver the next no-hitter after the perfect game pitched two weeks earlier by a 15-year veteran from Nicaragua, Dennis Martinez, for the Montreal Expos against the Los Angeles Dodgers.

AMERICAN LEAGUE

Alvarez was considered a top prospect in each of the two minor-league organizations for which he played over the past several years, but his lone experience in the big leagues had proven far from successful. On July 24, 1989, pitching for the Texas Rangers in his only previous major-league game, Alvarez faced five Toronto batters and failed to retire one of them. He surrendered two home runs, took the loss and hadn't made it back to the major leagues since.

Added to Chicago's roster Sunday after being promoted from the minor leagues Saturday, Alvarez celebrated his return in grand style, and the crowd of 40,455 gradually came to cheer him loudly with each out.

He became the first rookie to pitch a no-hitter since Mike Warren of the Oakland Athletics in 1983, and is the youngest pitcher to accomplish the feat since Oakland's Vida Blue — who was 86 days younger than Alvarez — on Sept. 21, 1970.

Were it not for that ill-fated outing with the Rangers, Alvarez might have become just the second pitcher in this century to pitch a no-hitter in his first major league start, Bobo Holloman of the St. Louis Browns having done so in 1953.

Alvarez is the youngest White Sox to pitch a no-hitter. He issued five walks and recorded seven strikeouts in the game, and only two Orioles made it as far as second base. Several batters hit the ball hard, but only twice did the Orioles come close to getting hits.

In the eighth, Chris Hoiles hit a line drive that seemed certain to fall in. But center fielder Lance Johnson raced to his left and toward the infield, and he caught the ball with an acrobatic, headlong dive.

After the game, Alvarez faced a modest gathering of reporters. He spoke in hesitant English, later reverting to his native Spanish when the media crush continued in the White Sox clubhouse. He said he planned to celebrate over dinner with his wife, who was on hand for the game.

Alvarez is a veteran of no-hitters, having thrown 12 in Venezuelan youth-league games between 1981 and 1986. But this, after all, was the major leagues.

"I never think I'm going to throw a no-hitter," Alvarez said. "I didn't think about it until the last out. Right now, I am so happy. I want my family, in Venezuela, to see this. It's so unbelievable."

The Orioles had Alvarez's fastball timed at a consistent 88 miles an hour (142 kph) on the radar gun, and Baltimore's hitters — even while displaying irritation about being no-hit by a pitcher so recently in the minors — raved about the movement on his pitches and the youngster's poise.

Said Mike Devereaux: "What did he have? Pitches you couldn't get a hit on, I guess."

In other games, United Press International reported:

Athletics 3, Angels 2: In Anaheim, California, Willie Wilson drove home two runs on a misplayed triple and scored on a wild pitch in the fifth inning to help Oakland sweep California. Dennis Eckersley recorded his major leagues-leading 33d save of the year.

Twins 5, Mariners 2: In Seattle, Kevin Tapani pitched a four-hitter and Kent Hrbek contributed three hits and drove in three runs for Minnesota. Tapani, 4-0 lifetime against the Mariners, went the distance for only the third time in his two-year career.

Yankees 12, Tigers 6; Yankees 10, Tigers 8: In New York, Mel Hall's two-run homer in the 10th gave the Yankees a doubleheader sweep of Detroit. In the opener, Hensley Meulens drove in three runs and Greg Cadaret matched a career high with nine strikeouts as New York snapped a five-game losing streak.

Royals 3, Indians 2: In Kansas City, George Brett singled home Brian McRae for the second unearned run of the 13th inning, when Cleveland committed two errors. Jeff Manto's homer had given the Indians the lead in the top of the inning.

Rangers 5, Brewers 4: In Arlington, Texas, Juan Gonzalez singled home Julio Franco from third with one out in the 10th to beat Milwaukee.

Red Sox 9, Blue Jays 6: In Toronto, Mike Greenwell singled four times and drove home two runs in a 16-hit attack that beat the Blue Jays. Boston capitalized on right fielder Joe Carter's two errors for a five-run first in downing Toronto for the third straight time.

Gene Sweeney/Agence France-Presse

Wilson Alvarez was overwhelmed by White Sox teammates Ron Karkovice, the catcher, and Robin Ventura, the third baseman, after overwhelming the Orioles.

Giants' Blip Single Polishes Off L.A.

The Associated Press

This time it was a 20-foot single by Darren Lewis.

The rookie's hit gave the Giants a 4-3 victory Sunday in San Francisco, a three-game sweep of the first-place Los Angeles Dodgers and further irrefutable evidence on the present state of the charging Giants and the staggering Dodgers.

"Two months ago that would have been an out," said the Giants' manager Roger Craig, whose club has been fighting since June 1 to overcome a 16-32 start. "But we're getting those breaks now."

The victory pulled the Giants to .500 for the first time since they were 6-6 on April 21, and to within six games of the Dodgers, the closest they have been to first place since they were 5½ games back on May 11. The Giants have won 13 straight at Candlestick Park.

The Dodgers' lead has been cut to 1½ games over Atlanta.

Their manager, Tommy Lasorda, had a tough time digesting the Giants' latest narrow victory.

"They get a guy on third and score on a swinging bunt," he said. "We hit the ball hard and we get nothing."

The Giants, who also got a two-run home run from Will Clark, won all three games by one run.

After pinch-hitter Darryl Strawberry tied the score with a single in the seventh, Robby Thompson drew a leadoff walk from reliever Kevin Gross in the bottom of the inning, took second on Kurt Manwaring's sacrifice, and went to third on Jose Uribe's single.

Uribe was thrown out trying to stretch his hit into a double, and Gross intentionally walked pinch-hitter Mike Felder to get to Lewis.

Lewis hit a dribbler down the third-base line, and Mike Sharperson made an off-balance throw that reached first just as Lewis arrived. But a stretching Eddie Murray was unable to hold on to the ball, which allowed Thompson to score.

NATIONAL LEAGUE

Clark put San Francisco ahead, 2-0, with his opposite-field, first-inning homer off Orel Hershiser as the Giants beat the Dodgers for the fifth consecutive time.

The Dodgers put runners on first and third against Jeff Brantley in the the eighth after singles by Juan Samuel and Kal Daniels. But Samuel got caught off third on Murray's grounder to Clark at first, and was tagged out after a rundown. Brantley then retired Chris Gwynn on a foul pop to Clark to end the threat before pitching the ninth for his 10th save of the season.

Braves 3, Astros 1: In Atlanta, Ron Gant, Keith Mitchell and Terry Pendleton homered while Armando Reynoso pitched two-hit, shutout ball for six innings in his major-league debut as Atlanta beat Houston to complete a three-game sweep.

Cubs 3, Mets 2: George Bell's homer leading off the bottom of the 14th inning gave Chicago its seventh straight victory against New York in 10 days.

By winning the first three games of the four-game series, the Cubs matched their longest streak ever against the Mets, set in July and August of 1984.

Chicago's Mark Grace extended his hitting streak to 17 games, going 3-for-6. In his last eight games, Grace is 21-for-37, a .568 pace, with five three-hit games and one four-hit performance.

Shawn Boskie, the Cubs' fifth pitcher, gave up a two-out double to Rick Cerone in the Mets' 14th. But after an intentional walk, he retired losing pitcher Pete Schourek on an infield forceout.

Padres 13, Reds 0: Bip Roberts, who went 4-for-4, hit two of San Diego's club record five home runs, and Ricky Bones pitched two-hit ball for seven innings in his major-league debut as the Padres routed Cincinnati in San Diego.

Phillies 5, Expos 4: The Philadelphia Phillies, playing at home, won their 12th straight game as Charlie Hayes scored on a wild pitch in the eighth inning to beat Montreal.

It is the Phillies' longest winning streak since a 13-game run in August 1977, and the longest in the National League this season.

Pirates 6, Cardinals 4: In Pittsburgh, John Wehner hit a go-ahead two-run single and fellow rookie Orlando Merced added a run-scoring single in Pittsburgh's four-run sixth against second-place St. Louis.

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

East Division

	W	L	Pct.	GB
Toronto	62	50	.554	—
Detroit	58	54	.518	4
Boston	53	57	.482	8
New York	50	59	.459	10½
Milwaukee	49	62	.441	12½
Baltimore	43	67	.391	18
Cleveland	36	73	.330	24½

West Division

	W	L	Pct.	GB
Minnesota	67	45	.598	—
Chicago	65	45	.591	1
Oakland	64	48	.571	3
Texas	57	50	.533	7½
Kansas City	57	52	.523	8½
Seattle	58	53	.523	8½
California	53	57	.482	13

NATIONAL LEAGUE

East Division

	W	L	Pct.	GB
Pittsburgh	64	45	.587	—
St. Louis	58	51	.532	6
New York	57	53	.518	7½
Chicago	55	55	.500	9½
Philadelphia	52	58	.473	12½
Montreal	44	65	.404	20

West Division

	W	L	Pct.	GB
Los Angeles	61	49	.555	—
Atlanta	59	50	.541	1½
San Francisco	55	55	.500	6
San Diego	54	57	.486	7½
Cincinnati	53	56	.486	7½
Houston	46	64	.418	15

Sunday's Line Scores

AMERICAN LEAGUE

Chicago 220 003 000—7 14 1
Baltimore 000 000 000—0 0 0

Alvarez and Karkovice; D. Johnson, Frohwirth (2), Poole (6), Olson (9) and Melvin. W—Alvarez, 1-0. L—D. Johnson, 2-4. HR—Chicago, Thomas (23).

Detroit 100 030 020— 6 9 0
New York 300 043 02x—12 13 0

Cerutti, Gakeler (1), Gibson (5), Kiely (6) and Tettleton; Cadaret, Habyan (9) and Nokes. W—Cadaret, 5-4. L—Gakeler, 1-4. HRs—Detroit, Phillips (13), Tettleton (22).

Detroit 010 006 001 0— 8 8 4
New York 113 000 012 2—10 14 4
(10 innings)

Aldred, Gakeler (3), Gleaton (6), Henneman (8), Gibson (10) and Salas, Tettleton (6); Leary, Monteleone (6), Guetterman (6), Plunk (7), Farr (10) and Geren, Nokes (9). W—Farr, 3-2. L—Gibson, 5-6. HRs—Detroit, Bergman 2 (5), Tettleton (23). New York, Hall (16).

Boston 510 002 001—9 16 1
Toronto 00[illegible] 002 120—6 10 4

Gardiner, Fossas (7), Reardon (8) and Pena; Key, MacDonald (6), Ward (8) and Myers, Borders (8). W—Gardiner, 4-6. L—Key, 12-7. Sv—Reardon (27). HRs—Toronto, Carter (27), Myers (5).

Cleveland 001 000 000 000 1—2 9 3
Kansas City 000 000 001 000 2—3 8 0
(13 innings)

King, Orosco (9), Hillegas (9), Shaw (12), Olin (13) and Skinner; Aquino, Gordon (10) and Mayne. W—Gordon, 8-10. L—Olin, 2-4. HR—Cleveland, Manto (2).

Minnesota 110 102 000—5 9 0
Seattle 000 110 000—2 4 1

Tapani and Harper; Krueger, C. Jones (7), M. Jackson (8), Fleming (9) and Bradley. W—Tapani, 10-7. L—Krueger, 9-5. HRs—Minnesota, Mack (14), Hrbek (12). Seattle, Buhner (21).

Oakland 000 030 000—3 6 0
California 110 000 000—2 12 1

Moore, Cu. Young (7), Chitren (8), Eckersley (9) and Quirk; Grahe, Eichhorn (8) and Tingley, Parrish (9). W—Moore, 11-7. L—Grahe, 1-3. Sv—Eckersley (33). HRs—California, Soto (1), Gaetti (14).

Milwaukee 200 000 002 0—4 12 1
Texas 004 000 000 1—5 10 1
(10 innings)

August, Lee (7), Machado (8) and Dempsey, Surhoff (9); K. Brown, Je. Russell (8), Jeffcoat (10), Mathews (10), Rogers (10) and Rodriguez. W—Rogers, 8-7. L—Machado, 0-3. HRs—Milwaukee, Molitor (12). Texas, Palmer (7).

NATIONAL LEAGUE

St. Louis 200 100 100—4 9 1
Pittsburgh 000 204 00x—6 11 3

Tewksbury, Carpenter (6), McClure (7) and Pagnozzi; Tomlin, Mason (6), Kipper (7), Landrum (9) and LaValliere. W—Mason, 1-0. L—Tewksbury, 7-8. Sv—Landrum (16).

Montreal 001 002 010—4 5 1
Philadelphia 100 003 01x—5 7 0

Nabholz, Rojas (7), Fassero (8) and Reyes, Fitzgerald (7); Ruffin, Boever (7), Ritchie (8), Hartley (8), Mi. Williams (9) and Lake, Daulton (9). W—Hartley, 3-0. L—Fassero, 1-3. Sv—Mi. Williams (21). HR—Montreal, Walker (11).

Houston 000 000 001—1 4 0
Atlanta 000 120 00x—3 8 0

Kile, Corsi (8) and Eusebio; Reynoso, Freeman (7), Stanton (9) and Cabrera. W—Reynoso, 1-0. L—Kile, 5-7. Sv—Stanton (3). HRs—Atlanta, Gant (25), Mitchell (1), Pendleton (15).

Los Angeles 010 000 200—3 11 0
San Francisco 300 000 10x—4 7 0

Hershiser, Ke. Gross (7) and Scioscia; McClellan, Downs (7), Brantley (8) and Manwaring. W—Downs, 9-4. L—Ke. Gross, 6-9. Sv—Brantley (10). HRs—Los Angeles, Murray (18). San Francisco, Clark (23).

Cincinnati 000 000 000— 0 4 0
San Diego 102 160 12x—13 15 1

Ki. Gross, Minutelli (5), Layana (8) and Reed; Bones, Lewis (8), Rodriguez (9) and Santiago, Bilardello (7). W—Bones, 1-0. L—Ki. Gross, 4-4. HRs—San Diego, Roberts 2 (3), Jackson (12), Fernandez (3), Howard (2).

New York 011 000 000 000 00—2 11 2
Chicago 000 200 000 000 01—3 9 1
(14 innings)

Fernandez, Pena (7), Franco (10), Innis (12), Schourek (12) and Sasser, Cerone (10); Sutcliffe, Assenmacher (8), Lancaster (11), McElroy (13), Boskie (14) and Girardi, Wilkins (11). W—Boskie, 4-8. L—Schourek, 2-3. HR—Chicago, G. Bell (21).

FOOTBALL

NFL Preseason Games

Sunday's Result

Phoenix 12, Chicago 10

PAN AM GAMES

MEDALS THROUGH SUNDAY

	G	S	B	Tot
United States	85	90	57	232
Cuba	106	52	49	207
Canada	12	24	37	73
Mexico	14	15	28	57
Brazil	13	8	24	45
Argentina	2	8	19	29
Colombia	3	11	13	27
Venezuela	1	10	15	26
Puerto Rico	2	2	5	9
Dominican Rep	0	4	4	8

SUNDAY'S RESULTS

ARCHERY

Men

1. U.S., 965; 2. Mexico, 947; 3. Cuba, 910.

Women

1. U.S., 970; 2. Mexico, 933; 3. Cuba, 896.

BASEBALL

Aruba 9, Canada 8
Cuba 3, U.S. 2
Antilles 6, Mexico 4
Puerto Rico 6, Dominican Republic 1

BASKETBALL

Men

Ninth Place

Bahamas 75, Canada 62

Quarterfinals

Cuba 96, Brazil 92, OT

Women

Bronze Medal

U.S. 92, Canada 61

Gold Medal

Brazil 97, Cuba 76

CYCLING

Men

Points Race

1. Hermino Suarez, Argentina, 34 points; 2. Jairo Giraldo, Colombia; 9; 3. C. Cabrera, Cuba, 58.

Match Sprint

Bronze Medal

John Gonzalez, Colombia, def. J. Lovito, 11.500 seconds.

Gold Medal

Richard Young, Canada, def. Hiram Flores, Cuba, 11.490.

Women

Match Sprint

Bronze Medal

Jessica Greico, U.S., def. Y. Ojeda, Cuba, 12.680.

Gold Medal

Tanya Dubnicoff, Canada, def. Julie Gregg, U.S., 12.780.

DIVING

Women

Platform

1. Eileen Richetelli, U.S., 480.740 points; 2. Alison Maisch, U.S., 384.090; 3. Maria Carmuza, Cuba, 279.470.

FENCING

Women

Epee

1. Taimi Chappe, Cuba; 2. Angelica Duenas, Mexico; 3 (tie). Sandra Giancola, Argentina, and Yolitzin Martinez, Mexico.

GYMNASTICS

Women

Individual

Uneven bars

1. L. Parente, Brazil, 9.775; 2 (tie). Mylene Fleury, Canada and Hillary Anderson, U.S., 9.625.

Vault

1. L. Parente, Brazil, 9.775; 2. Anne Woynerowski, U.S., 9.662; 3. Jennifer Wood, Canada, 9.650.

Balance Beam

1 (tie). L. Gonzalez, Cuba, and Stephanie Woods, U.S., 9.700; 3 (tie). O. Jiminez, Cuba and L. Portocarrero, Guatemala, 9.650.

Floor

1. Chelle Stack, U.S., 9.700; 2. D. Nunez, Cuba, 9.625; 3. G. Benitez, Cuba, 9.600.

JUDO

Men, 56 kilograms

Quarterfinals

Sumio Tsujimoto, Brazil, def. Luis Companioni, Cuba, YUK, 5:00; Clifton Sunada, U.S., def. Jose Robleto, Nicaragua, Ipo, :15; Luis Martinez, Puerto Rico, def. Willis Garcia, Venezuela, HAN, 5:00; Juan Trione, Argentina, def. Carlos Reyes, Guyana, WAZ, 5:00.

Semifinals

Sunada def. Tsujimoto, HAN, 5:00; Martinez def. Trione, WAZ, 5:00.

Final

Martinez def. Sunada, WAZ, 5:00.

Gold—Martinez.; Silver—Sunada; Bronze—Tsujimoto and Garcia.

60 kilograms

First Round

Shigueto Yamaski, Brazil, def. Isaac Carrion, Peru, IPO, 1:00; Roger Duran, Venezuela, def. Ulrick Louis, Haiti, IPO, 1:35.

Quarterfinals

Yamaski def. Miguel Pesce, Argentina, YUK, 5:00; Israel Hernandez, Cuba, def. Salvador Hernandez, Mexico, WAZ, 5:00; Jose Lara, Dominican Republic, def. Duran, IPO, 3:18; Ewan Beaton, Canada, def. Eddie Liddie, U.S., HAN, 5:00.

Semifinals

Yamaski def. I. Hernandez, YUK, 5:00; Beaton def. Lara, IPO, :48.

Repechage A—Pesce def. Carrion, IPO, :26; repechage B—I. Hernandez def. Pesce, IPO, 3:00; repechage B—Liddie def. Lara, IPO, :43.

Final

Yamaski def. Beaton, HAN, 5:00.

Gold—Yamaski; Silver—Beaton; Bronze—Liddie and I. Hernandez.

Open

First Round

Charles Griffith, Venezuela, def. Mario Montalvo, Puerto Rico, WIP, 3:48.

Quarterfinals

Griffith def. Thomas Greenway, Canada, IPO, 1:15; Jorge Fis, Cuba, def. Daniel Dell Aquila, Brazil, KUK, 5:00; Orlando Baccino, Argentina, def. Francisco Ayala, Chile, IPO, 2:55; Christophe Leininger, U.S., def. Santiago Rodriguez, Dominican Republic, WAZ, 5:00.

Semifinals

Fis def. Griffith, IPO, 2:20; Leininger def. Baccino, WAZ, 5:00.

Repechage A—Griffith def. Dell Aquila, KOK, 5:00; repechage B—Baccino def. Rodriguez, IPO, 2:13.

Final

Fis def. Leininger, IPO, 3:50.

Gold—Fis; Silver—Leininger; Bronze—Griffith and Baccino.

Women, 45 kilograms

Quarterfinals

Mabel Fonseca, Cuba, def. Lorena Bolletta, Argentina, IPO, 2:10; Cathy Lee, U.S., def. Cristina Souza, Brazil, YUK, 4:00.

Semifinals

Fonseca def. Maria Villapol, Venezuela, HAN, 4:00; Lee def. Trinidad Benitez, Dominican Republic, IPO, 2:57.

Final

Fonseca def. Lee, YUK, 4:00.

Gold—Fonseca; Silver—Lee; Bronze—Villapol and Souza.

48 kilograms

Quarterfinals

Kelly Silva, Venezuela, def. Maria Monteleone, Argentina, YUK, 4:00; Valerie LaFon, U.S., def. Brigitte Lastrade, IPO, 1:50; Leona Verdecia, Cuba, def. Monica Angelucci, Brazil, YUK, 4:00.

Semifinals

LaFon def. Silva, WAZ, 4:00; Verdecia def. Carmen Chavez, Ecuador, YUK, 4:00.

Repechage A—Lastrade def. Silva, IPO, 3:51; repechage B—Angelucci def. Chavez, IPO, 3:00.

Final—Verdecia def. Lafon, YUK, 4:00.

Gold—Verdecia; Silver—Lafon; Bronze—Lastrade and Angelucci.

Open

Quarterfinals

Milnaris Santini, Puerto Rico, def. Rosa Topia, Chile, IPO, 1:17; Soraia Andre, Brazil, def. Francis Gomez, Venezuela, YUK, 4:00; Cheryl Stephens, U.S., def. Ingrid Pina, Dominican Republic, IPO, :08; Estela Rodriguez, Cuba, def. Jane Patterson, Canada, YUK, 4:00.

Semifinals

Santini def. Andre, IPO, 2:49; Rodriguez def. Stephens, IPO, :28.

Repechage A—Andre def. Topia, IPO, 1:31; repechage B—Patterson def. Stephens, IPO, 1:58.

Final

Rodriguez def. Santini, HAN, 4:00.

Gold—Rodriguez; Silver—Santini; Bronze—Andre and Patterson.

ROWING

Men

Lightweight Single Sculls

1. Luis Garcia, Mexico, 6 minutes, 59.12 seconds; 2. Osmany Martin, Cuba, 7:05.02; 3. Maximiliano Hoves, Argentina, 7:10.27.

Fours With Cox

1. Cuba, 6:17.98; 2. U.S., 6:15.40; 3. Canada, 6:18.03.

Quadruple

1. Cuba, 5:51.27; 2. U.S., 5:54.57; 3. Mexico, 5:59.94.

Fours Without Cox

1. U.S., 6:10.54; 2. Cuba, 6:11.43; 3. Guatemala, 6:13.90.

Lightweight Pairs

1. A. Arias and R. Aleman, Cuba, 6:30.62; 2. J. Lamo and F. Guerin, Argentina, 6:39.92; 3. Peter Borowski and Michael Hindery U.S., 6:43.25.

Eights With Cox

1 Cuba, 5:38.75; 2. U.S., 5:42.89; 3. Canada, 5:44.50.

Women

Pairs

1. Liz Behrens and Marci Porter, U.S., 7:28.10; 2. Shannon Crawford and Julie Jespersen, Canada, 7:31:12; 3. Gonzalez and Rodriguez, Cuba, 7:35.88.

Singles

1. Cindy Ryder, U.S., 1:57.41; 2. Martha Garcia, Mexico, 1:56.05; 3. Joaquin Hernandez, Cuba, 2:02.33.

Lightweight Pairs Without Cox

1. Laurie Featherstone and Nori Doobenen, Canada, 7:38.06; 2. Vikki Scott, and Marjorie Riemer, U.S., 7:44.79; 3. Fuentes Pena and Pino Portelles, Cuba, 7:55.38.

Quadruple

1. U.S., 6:29.91; 2. Cuba, 6:34.08; 3. Mexico, 6:47.43.

SHOOTING

Men

Air Pistol

1. Bernardo Tobar, Colombia, 676.6 points; 2. Ben Amonette, U.S., 673.1; 3. Wilson Scheidmantel, Brazil, 669.2.

Team Air Pistol

1. Mexico, 1,700; 2. Dominican Republic, 1,697; 3. Brazil, 1,690.

Team Skeet

1. U.S., 445; 2. Cuba, 442; 3. Argentina, 437.

Women, English Match

Individual

1. Tammie DeAngelis, U.S., 588; 2. Christina Ashcroft, Canada, 585; 3. Michelle Scarborough, U.S., 584.

Team

1. U.S., 1,755; 2. Cuba, 1,742; 3. Brazil, 1,706.

SOCCER

Mexico 6, Honduras 1
U.S. 2, Cuba 1

SOFTBALL

Men

Panama 9, Dominican Republic 7
Mexico 11, Aruba 2
Cuba 2, Canada 0
Argentina 4, Antilles 3
U.S. 2, Bahamas 0

Women

Bronze—Canada 1, Cuba 0, Cuba wins bronze; Gold—U.S. 14, Canada 5

TABLE TENNIS

Men

Doubles

H. Hoyamo and C. Kono, Brazil, def. G. Ng and H. Pintera, Canada, 20-22, 21-17, 21-9.

Gold Medal—Hoyamo and Kono; Silver—Ng and Pintera; Bronze—R. Arado and E. Gonzalez, Cuba; C. Kowal and S. Yuto, Brazil.

Women

Doubles

Insook Bhushan and Diana Gee, U.S., def. Lily Hugh and Li Al, U.S., 17-20, 24-22, 21-16.

Gold Medal—Bhushan and Gee; Silver—Hugh and Al; Bronze—Julie Barton and Caroline Sylvester, Canada; M. Armas and F. Rodriguez, Cuba.

TEAM HANDBALL

Bronze—U.S. 28, Canada 19; Gold—Cuba 27, Brazil 25.

TENNIS

Men's Singles

Gold—Luis Herrera, Mexico, def. Dave DiLucia, U.S., 6-3, 6-1.

Doubles

Gold—Joey Rive and Miguel Nido, Puerto Rico, def. Oliver Fernandez and Gerardo Martinez, Mexico, 7-6 (7-2), 6-3.

Women's Singles

Gold—Pam Shriver, U.S., def. Joelle Schad, Dominican Republic, 6-2, 6-0.

Mixed Doubles

Shriver and DiLucia def. Claudia Chabalgoity and N. Kyriakos, Brazil, 6-3, 4-6, 6-0.

TRACK AND FIELD

Men

400 Relay—1. Cuba, 39.88 seconds; 2. Canada, 39.95; 3. U.S. Virgin Islands, 41.02.

1,600—1. Cuba, 3:01.93; 2. U.S., 3:02.02; 3. Jamaica, 3:02.12.

50 Kilometer Walk—1. Carlos Mercenario, Mexico, 4:03:09; 2. Miguel Rodriguez, Mexico, 4:04:06; 3. Edel Oliva, Cuba, 4:16:27.

Women

400 Relay—1. Jamaica, 43.79; 2. Cuba, 44.31; 3. U.S., 44.62.

1,500—1. Alisa Harvey-Hill, U.S., 4:13.12; 2. Letitia Vriesde, Surinam, 4:16.75; 3. Sarah Howell, Canada, 4:17.95.

1,600—1. U.S., 3:24.21; 2. Cuba, 3:24.91; 3. Jamaica, 3:28.83.

10,000—1. Maricarmen Diaz, Mexico, 34:21.13; 2. Lisa Harvey, Canada, 34:25.62; 3. Maria Servin, Mexico, 34:55.94.

Javelin—1. Dulce Garcia, Cuba, 212 feet, 6 inches; 2. Donna Mayhew, U.S., 191-9; 3. Hermina Bouza, Cuba, 186-0.

Heptathlon—1. Dede Nathan, U.S., 5,778 points; 2. Sharon Hainer, U.S., 5,770; 3. Magalys Garcia, Cuba, 5,690.

VOLLEYBALL

Men

Argentina 3, Puerto Rico 0, (15-7, 15-9, 15-10)
Brazil 3, U.S. 0 (15-8, 15-4, 15-13)
Cuba 3, Canada 0 (15-2, 15-8, 15-7)

Women

Canada 3, Argentina 0 (15-1, 15-2, 15-8)
Peru 3, Brazil 2 (13-15, 16-14, 9-15, 15-11, 15-12)
Cuba 3, U.S. 1 (14-16, 15-8, 15-2, 15-4)

WATER POLO

Brazil 13, Mexico 9
Cuba 23, Puerto Rico 3

TRANSACTIONS

BASEBALL

American League

CHICAGO—Optioned Ramon Garcia, pitcher, to Vancouver, Pacific Coast League.

National League

ATLANTA—Waived Rick Mahler, pitcher. Recalled Armando Reynoso, pitcher, from Richmond, International League. Put Kent Mercker, pitcher, and Sid Bream, first baseman, on 15-day disabled list. Recalled Tony Castillo, pitcher, and Jerry Willard, catcher, from Richmond, IL.

CHICAGO—Optioned Heathcliff Slocumb, pitcher, to Iowa, American Association. Recalled Shawn Boskie, pitcher, from Iowa.

CINCINNATI—Put Mariano Duncan, second baseman, on 15-day disabled list. Recalled Freddie Benavides, shortstop, from Nashville, AA. Fired Howie Bedell, director of player development, and named Jim Bowden to replace him.

N.Y. METS—Sent Anthony Young, pitcher, to Tidewater, IL. Activated Wally Whitehurst, pitcher, from 15-day disabled list.

PITTSBURGH—Recalled Hector Fajardo, pitcher, from Carolina, Southern League, and Roger Mason, pitcher, from Buffalo, IL. Signed Floyd Youmans, pitcher, to minor league contract with Carolina. Designated Jose Gonzalez, outfielder, for assignment. Put Vicente Palacios, pitcher, on 15-day disabled list.

SAN DIEGO—Recalled Oscar Azocar, outfielder, and Ricky Bones, pitcher, from Las Vegas, PCL. Optioned Adam Peterson and John Costello, pitchers, to Las Vegas. Designated Phil Stephenson, first baseman, for assignment. Assigned Pat Clements, pitcher, to Las Vegas, PCL, on medical rehabilitation assignment.

BASKETBALL

National Basketball Association

MILWAUKEE—Put Frank Kornet, forward, on waivers to allow him to sign with Siena, Italy.

FOOTBALL

National Football League

ATLANTA—Waived Carlen Freeman, linebacker.

CHICAGO—Signed James Thornton, tight end, to two-year contract, and Ron Morris, wide receiver, to three-year contract.

DALLAS—Waived John Jovis and Ricky Martin, wide receivers; Duane Miller, offensive tackle, and Lance Zeno and Sean Love, offensive guards.

DENVER—Signed Mike Croel, linebacker, to series of one-year contracts.

HOUSTON—Agreed to terms with Leonard Harris, wide receiver, on two-year contract.

KANSAS CITY—Agreed to terms with John Alt, tackle, on three-year contract.

NEW ORLEANS—Signed Wesley Carroll, wide receiver, to three-year contract.

N.Y. GIANTS—Signed Reyna Thompson, cornerback, to two-year contract.

KANSAS CITY—Steve Pelluer, quarterback, left camp.

L.A. RAMS—Agreed to terms with Tom Newberry, offensive lineman.

PHILADELPHIA—Traded Dick Chapura, defensive tackle, to Houston for an undisclosed 1992 draft pick. Rescinded negotiating rights to Reggie Singletary, offensive tackle.

CRICKET

FIFTH TEST

England vs. West Indies, Fifth Day

Monday, in London

West Indies 2d innings: 385
England 2d innings: 146-5

INTERNATIONAL CLASSIFIED

(Continued From Back Page)

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ART BUCHWALD

Calling Red October II

WASHINGTON — They found tiny cracks in the brand-new, highly touted U.S. Navy attack submarine Seawolf last week. Every country has cracks in its submarines, but since this boat cost $2 billion, it gave a few picky taxpayers another thing to complain about.

We're not talking about just a onetime $2 billion investment. The navy intends to build 12 at a cost of $33 billion, including spare parts, which makes the Seawolf-class sub the most expensive fish ever to swim in the sea.

Buchwald

The Seawolf was designed and built to run silent and deeper than anything of its kind. It can sneak up on and choke other submarines until they cry "Uncle." On paper, back when we were freezing from the Cold War, it seemed like the perfect weapon to thwart the other side's attack submarines. A teenager on a tour of the General Dynamics shipyard called it "awesome."

□

But two things happened just about the same time. One was that when the Cold War thawed, the Soviets began cutting back on military spending, and then we started finding cracks in the Seawolf, the moral equivalent of finding termites in your cellar.

Granite Thurston, a Pentagon spokesman on submarines costing more than $2 billion, said, "We shouldn't be worried about a $33 billion submarine program. The Pentagon can always find the money for a new defense system. Our concern is that if in the next 10 years the Soviets decide to put their subs in mothballs, we would have nothing for the Seawolf to attack. What we could wind up with is a serious enemy target shortage, which will cause some pro-air force senator to ask why we need it."

"It's bad luck about Russia," I said. "If it weren't for their economic problems they would have certainly come up with a nifty response to the Seawolf, and then the Pentagon could probably have raised another $50 billion to meet their challenge. Is there any way we can advance them the money to continue their sub-building program?"

Granite replied, "The Russians are playing hardball. Gorbachev claims they would rather have the money for their domestic programs, which is shortsighted because you never know when Lithuania is going to build a fleet of attack submarines to make its bid for freedom."

"If the shipbuilders manage to repair the cracks in the Seawolf, why don't we use it to attack Saddam Hussein?"

"We would like nothing more. But as far as we know, Saddam never goes swimming."

"For $2 billion why can't you put wheels on the sub and send it off to Baghdad? If it's as quiet as the navy says it is, no one would know."

□

"Don't think we haven't thought of it. Our difficulty is that although we can justify building one for $2 billion on the grounds that it's still cheaper than bailing out an S&L, it's harder to justify a $33 billion program when the joints aren't properly welded."

"If you can't see the cracks with the naked eye, then I don't see what the beef is all about."

"We prefer to be cautious. What we're going to do is tear up the sub and start welding it from scratch so it will be ready by 1996 or 1998."

"That long?"

"It's not as bad as it sounds. By then Hollywood will make 'The Hunt for Red October Part II,' and we'll have the taxpayers begging us for all the Seawolf subs we can make."

New Ken Russell Film Is Banned in Ireland

Reuters

DUBLIN — The Irish film censor on Monday banned the film "Whore," by the controversial British film director Ken Russell, which shows a day in the life of a prostitute.

It is only the second film to be refused a certificate since Sheamus Smith became the film censor in 1986. The other was "Personal Services," the tale of an English brothel-keeper.

A Salute to Saroyan, Writer and Cyclist

By Samuel Abt
International Herald Tribune

PARIS — They're going to do for William Saroyan one of the grandest things people can do for each other: name a bicycle race in his honor later this month in Fresno, California.

That was one of his two hometowns and Saroyan is celebrated still in Fresno. Every year the city of 150,000 in the San Joaquin Valley stages a monthlong William Saroyan Festival.

"We have films, essay contests, speeches, you name it," said Jack Cain. "And now a bicycle race. The festival is held in May and next year the race will be held then too."

Cain is president of the organization that will stage the William Saroyan Criterium on Aug. 24. It will comprise eight races in various categories, from professionals who will cover 45 laps and 36 miles (58 kilometers) to a public fun race of 10 laps. "That's f-u-n," Cain added as the phone line began to crackle. "We intend to make this fun."

In the context of fun, Saroyan mentioned the bicycle often in his plays, novels and short stories. "Just because you gave me a bike, I forgot everything," explains Georgie in "Love's Old Sweet Song." That was Saroyan's leitmotiv. The bicycle, he wrote, is "the noblest invention of mankind."

"To me it is, for starters, movement, music, departure, arrival, design, poetry, art, health, fun." That was for starters. "You get on this simple machine, you hold the handlebars, you press down on the pedals with your feet and you go. That's what you do, and to a boy of eight or nine, going is the thing, going is *living*."

And on and on. In the autobiographical "The Bicycle Rider in Beverly Hills," Saroyan says, "Before I was 16 I had many bicycles. . . . They were lean, hard, tough, swift and designed for usage. I rode them with speed and style. I found out a great deal about style from riding them. Style in writing, I mean. Style in everything. . . . A man learns style from everything, but I learned mine from things on which I moved, and as writing is a thing which moves I think I was lucky to learn as I did."

When he wasn't using his bike to buff his style, Saroyan used it to get mundanely from here to there. As Cain's press release phrased it, "The name of the race came from the fact that Saroyan . . . used his bike as his principal means of transportation while living in the valley. He rode an old cruiser bike with a wire basket in front and would ride around to go visit people, etc."

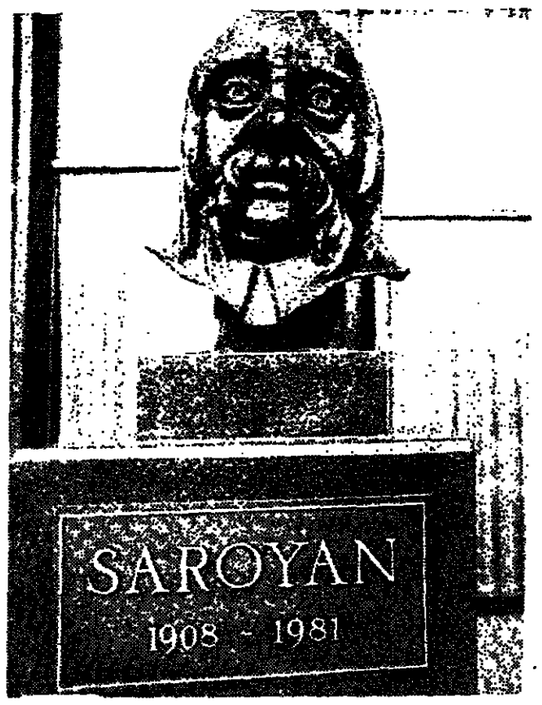
In his other home town, Paris, Saroyan is not so well celebrated. A plaque marks the building on Rue Taitbout where he lived off and on, mainly on, for 20 years until his death in 1981. Otherwise, there's not much.

"The only thing he was afraid of was being forgotten," wrote Herb Caen, the San Francisco columnist who knew Saroyan well in the late 1930s. (In a very dumb and very funny line, Caen accused the young Saroyan of suffering from "pernicious Armenia.")

Outside Fresno, Saroyan's only fear has been realized. Most of his dozens of books are out of print in the United States. Of his wondrous writings, the leading English-language book stores in Paris have only "The Time of Your Life" in a collection of plays from the 1930s and "The Human Comedy" in a simplified version for those trying to learn English. What would Saroyan have made of that? Even he confessed that in language and feeling, his novel was already oversimplified.

That was always the charge brought against him. To sing the joys, such as they are, of love, art and poverty was to invite complaints about being self-indulgent and escapist. When "My Heart's in the Highlands" appeared as a play in 1939, most critics thought it both simplistic and inscrutable.

The message and moral, the author responded, were obvious enough: It is better to be a good human being than to be a bad one. With its premiere began his miracle year of 1939. On Monday, May 8, he sat down in his hotel room in Manhattan and began work on his next play. The first draft of "The Time of Your Life" was completed on Saturday, May 13.



Sarah Fawcett/The New York Times

Bust of Saroyan in Fresno, California, his hometown.

The message was plain: "In the time of your life, live." The characters were plainer: Joe, who had been "trying for three years to find out if it's possible to live what I think is a civilized life. I mean a life that can't hurt any other life"; Blick, "the strong man without strength — strong only among the weak — the weakling who uses force on the weaker"; McCarthy, the longshoreman who believed that "Every maniac in the world that ever brought about the murder of people through war started out in an attic or basement writing poetry. It stank. So they got even by becoming important heels"; the Drunkard, with his toast "To the old, to the new, to children and small animals, to reforestation."

When the year was done, Saroyan had written four plays, including "Love's Old Sweet Song." Characters include the apocryphal Barnaby Gaul, who has been "attacked by an army of termites as big as Japanese, and marching in the same military formation" and who believes that "There are things stronger even than love, if one can only discover them."

Trying to discover them all his life, Saroyan wrote constantly — far too constantly. He turned out, a biographer reports improbably, between 2,000 and 2,500 words an hour on his typewriter, and rarely revised. "It didn't appear that he ever rewrote a line," Caen reported. 'Rewrite what?' he would roar. 'It comes out perfect.' "

Why shouldn't he have believed that? His work was founded on truth, Saroyan explained. "A young writer goes out to places and talks to people," he said. "He tries to find out what they remember. I am not using great material for a short story. Nothing is going to happen in this work. I am not fabricating a fancy plot. I am not creating memorable characters. I am not building up a fine atmosphere."

He lied. The words are from the great, fancy, memorable and fine short story, "Seventy Thousand Assyrians."

Like Lord Byron, Saroyan woke up one morning and found himself famous. That was in the mid-1930s with the publication of his short story "The Daring Young Man on the Flying Trapeze" about the young writer during the Depression who was "half starved and there was still no end of books he ought to read before he died."

The young writer looks for a job and is brought before a female interviewer.

"Now tell me, she said: What can you do?

"He was embarrassed. I can write, he said pathetically.

"You mean your penmanship is good? Is that it? said the elderly maiden.

"Well, yes, he replied. But I mean that I can write.

"Write what? said the miss, almost with anger.

"Prose, he said simply."

Indeed William Saroyan could write prose. Read the short stories "Uncle Melik and the Pomegranate Trees" or "Sweetheart Sweetheart Sweetheart" or "The Mexicans" or "Locomotive 38, the Ojibway." Read the plays "My Heart's in the Highlands" or "The Time of Your Life" or "Love's Old Sweet Song." Read the novels "My Name Is Aram" and maybe "The Human Comedy."

After that most of his work doesn't quite measure up. Essentially the young writer, Saroyan lived to be 73 years old. "I believe dreams sooner than statistics," says Joe in "The Time of Your Life." "Living is an art. It's not bookkeeping. It takes a lot of rehearsing for a man to get to be himself."

The rehearsing was the best part of Saroyan's work. Most of his later writing was, well, journalism, but if ever a man did deserve a bicycle race with his name on it, he does.

PEOPLE

Arthur Miller to Direct Stockholm 'Salesman'

Arthur Miller was so impressed by the Swedish Royal Dramatic Theater in New York this summer that he has agreed to go to Stockholm to direct his "Death of a Salesman." Lars Lofgren, the theater's director, met Miller after the company's performance of August Strindberg's "Miss Julie," and they spent the afternoon "talking about Swedish and American theater." Miller, 75, is directing the London production of his new play, "The Ride Down Mt. Morgan," which opens Oct. 23. He and a Swedish co-director, Lars Amble, will begin rehearsals January for "Salesman," to open April 24, Lofgren said.

□

Sir Yehudi Menuhin, who was 75 in April, opened the Edinburgh International Festival by conducting the traditional gala opening concert in Usher Hall for a sellout audience of 2,500. He conducted works by Mozart, with his son, Jeremy, as soloist in the Piano Concerto No. 24 in C minor with the Scottish Chamber Orchestra. The Edinburgh Festival Chorus joined the orchestra for Mozart's Mass in C minor. The festival continues through Sept. 1.

□

Gabriel García Márquez did not break a contract when negotiations failed over movie rights to his best-selling novel "Love in the Time of Cholera," a federal appeals court ruled in San Francisco. García Márquez was sued by a movie producer, Richard Roth, who contended that the author had reneged on an agreement over movie rights. But the 9th U.S. Circuit Court of Appeals ruled that no binding agreement existed.

□

A young Palestinian actor and playwright will have to stay behind when a play he wrote about his detention in an Israeli prison camp tours in September, his lawyer says. The actor-writer, Nidal Khatib, who lives in the West Bank, has never been charged with illegal activity. But Israeli military authorities refused him permission to travel unless he agreed to remain outside the country for three years. Khatib's Israeli lawyer, Leah Tsemel, said. Khatib is appealing. Meanwhile, another actor is preparing to play Khatib's lead role in Europe, Canada and the United States.

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